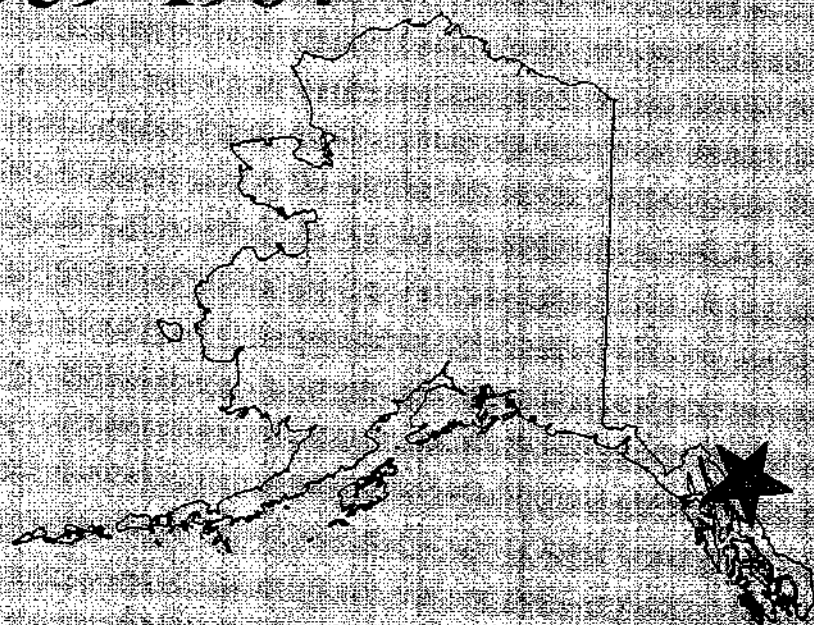


ALASKA

**25 YEARS OF STATEHOOD
1959-1984**



**PUBLIC EMPLOYEES'
and TEACHERS'
RETIREMENT SYSTEMS**

BILL SHEFFIELD
Governor

ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 1984

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
TEACHERS' RETIREMENT FUND
Fiscal Year 1984

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STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH C (MS 0200)
JUNEAU, ALASKA 99811
PHONE: (907) 465-2200

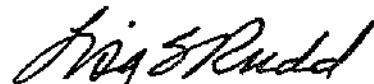
November 26, 1984

The Honorable Bill Sheffield
Governor of Alaska
Pouch A
Juneau, AK 99811

Dear Governor Sheffield:

It is my pleasure to submit to you the Annual Report of the Alaska Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS). This report shows the financial condition of both the PERS and TRS funds as of June 30, 1984. It has been prepared on the basis of standards set forth by the National Council on Governmental Accounting and is submitted in accordance with the requirements of Alaska Statutes 39.35.020(5) (PERS) and 14.25.030(4) (TRS).

Yours sincerely,



Lisa Rudd
Commissioner

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

POUCH CR (MS 0203)

JUNEAU, ALASKA 99811

(907) 465-4469

Public Employees' Retirement System
Teachers' Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees' Voluntary Dental-Vision-Audio Plan
Supplemental Benefits System
Group Health/Life Insurance Benefits
Deferred Compensation Plan
Public Employers Social Security Contributions

Bill Sheffield, Governor

November 23, 1984

Commissioner Lisa Rudd
Department of Administration
Pouch C
Juneau, AK 99811

Dear Commissioner Rudd:

I am pleased to submit to you the Annual Report of the Public Employees' (PERS) and Teachers' (TRS) Retirement Systems. The information presented in this report shows the results of operations and the financial condition of the two retirement funds for the fiscal year ending June 30, 1984. The financial statements in this report are presented on the accrual basis of accounting in accordance with the Financial Accounting Standards Board, Standard No. 35.

The report contains the financial statements, the audit report from the professional accounting firm of Price Waterhouse, and excerpts from the most recent actuarial valuations prepared by the system's actuary, William M. Mercer-Meidinger, Inc. Also included are the fiscal year investment comments from the Division of Treasury, Department of Revenue, which is charged with the investment of the retirement funds.

Market value of net assets in PERS was \$964,702,018 as of June 30, 1984, an increase of 15.2% over the previous year. Market value of net assets in TRS was \$659,572,326 as of June 30, 1984, an increase of 11.5% over the previous year.

The graphs presented on pages 33-34 (PERS) and pages 59-60 (TRS) demonstrate the increases in total assets and benefits paid in recent years. Additional information for the fiscal years ending June 30, 1982, through June 30, 1984, is provided in the following table:

	FY 1984		FY 1983		FY 1982	
	<u>PERS</u>	<u>TRS</u>	<u>PERS</u>	<u>TRS</u>	<u>PERS</u>	<u>TRS</u>
Number of participating employers	94	59	92	59	90	61
Number of participating members	26,381	8,655	24,756	8,221	23,318	7,822
Number of retired members	3,874	1,777	3,478	1,596	3,075	1,485
Average Annual Retirement Benefit	\$8,534	\$15,640	\$8,166	\$15,071	\$7,825	\$14,274
Average Annual Medical Benefit	\$1,873	\$1,873	\$1,387	\$1,387	\$1,156	\$1,156

The Fall 1983 meetings of the Public Employees' Retirement System and the Teachers' Retirement System Boards were held in Juneau and the Spring 1984 meetings were held in Anchorage. The annual actuarial valuations were presented and approved at the spring meetings. The boards also approved new employer contribution rates.

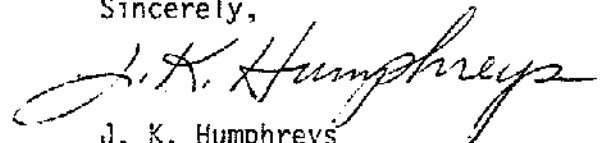
As you know, legislation was passed during the 1984 legislative session for both the PERS and TRS, which provided that recovery of overpaid benefits may not be made in certain cases if an adjustment is made to an incorrect benefit which was first paid two years or more before the member or beneficiary was notified of the error (Ch 15, SLA 1984). In addition, publication of both PERS and TRS regulations is now required in the Alaska Administrative Register and Code, and future regulations that are adopted must conform with guidelines established as a result of the new legislation (Ch 35, SLA 1984). Legislation effecting the Public Employees' Retirement System was passed removing the deadline for claiming retroactive elected official service and also allowing eligible members to claim PERS credit for their Alaska Bureau of Indian Affairs service, provided they are not eligible for a Civil Service retirement benefit (Ch 170, SLA 1984). Finally, retirees age 65 and over who participated in the group life insurance plan, but who became ineligible because of their age, are now able to obtain that coverage again (Ch 46, SLA 1984). During the 1985 Legislative session, we once again hope to see legislation passed which will provide actuarially funded post retirement pension adjustments (PRPA's) to PERS and TRS benefit recipients that will include cost saving measures to off-set the cost of these PRPA's.

November 23, 1984

During the past year, a few minor enhancements were completed in both PERS and TRS. The Division remains committed to the development of the Combined Retirement System and this commitment was reflected in the decision to contract out the conversion of both systems from the antiquated ASSEMBLER language to the more flexible COBOL. The Request for Proposal for this project is scheduled to be made available to contractors by the end of calendar year 1984.

This report will be mailed to all employers belonging to the Public Employees' and Teachers' Retirement Systems. The cooperation of member employers is essential to the successful operation of the system. During the next fiscal year this Division will continue to strive to improve our service to both the employers and the members.

Sincerely,

A handwritten signature in cursive script, reading "J. K. Humphreys". The signature is written in dark ink and is positioned above the printed name and title.

J. K. Humphreys
Director

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

BILL SHEFFIELD, GOVERNOR

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH 5B
JUNEAU, ALASKA 99811
PHONE:

November 23, 1984

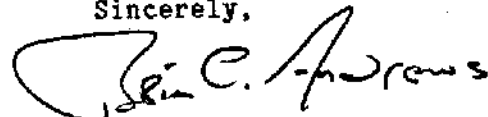
To the Reader:

During the 1984 fiscal year the exceptionally strong recovery from the 1982 recession led to outstanding growth in almost all economic sectors. Both Gross National Product and after-tax Personal Income rose by 11%. The 9% rise in personal expenditures; the 9.4% rise in government consumption; 27% increase in residential construction, and 45.5% increase in business investment were combined with a relatively modest inflation rate of 3.7% to produce an almost unprecedented 7.4% increase in real national product. The unusually strong expansion caused a 15% increase in the demand for credit and an increase in the level of interest rates ranging from 1.9 to 2.4 per cent. Although corporate profits rose by 42.2%, the rising interest rates together with concerns about budget deficits, possible tax increases, and future inflation depressed common stock prices by 8.7%.

The combined investment portfolios of the retirement systems received \$157 million of net contributions during the fiscal year and realized over \$176 million of income and capital gains. The realized yield on the average cost of the investments was 11.52%. If the unrealized decrease in the market value of the equity investments were included as part of the income, then the yield would have been 7.75%.

Since the beginning of the 1985 fiscal year, stock prices have risen enough to restore the price decline of the previous fiscal year and interest rates have dropped more than 2%. The economy is expected to continue expanding during 1985, although at a slower rate than in 1984. Despite the decline in interest rates, we anticipate a yield of about 12% on the combined portfolios during the 1985 fiscal year.

Sincerely,



Brian C. Andrews, Comptroller
Acting for Milt Barker,
Deputy Commissioner

STATE OF ALASKA
RETIREMENT FUNDS
Combined Balance Sheet
June 30, 1984
(In Thousands)

<u>ASSETS</u>	<u>Total</u>	<u>Public Employees' Retirement Fund</u>	<u>Teachers' Retirement Fund</u>
Cash	\$ 112,084	\$ 64,083	\$ 48,001
Certificates of Deposit and Other Short-Term Investments	16,000	8,000	8,000
Investment Securities:			
United State Government	723,221	444,815	278,406
Other	39,003	21,767	17,236
Common Stock	78,399	44,383	34,016
Foreign Investments	23,765	12,475	11,290
Financial Futures	2	1	1
Real Estate Equity Fund	137,277	81,850	55,427
Real Estate Mortgages and SBA Loans in Alaska	454,415	269,016	185,399
Contributions Receivable	19,985	4,887	15,098
Investment Income Receivable	24,943	15,799	9,144
 Total Assets	 1,629,094	 967,076	 662,018
 <u>LIABILITIES</u>			
Accrued Expenses	4,820	2,374	2,446
 Net Assets	 \$1,624,274	 \$964,702	 \$659,572
 <u>EQUITIES AND RESERVES</u>			
Equities:			
Employees' Equities	\$ 370,603	\$178,671	\$191,932
Employers' Equities	621,583	410,063	211,520
 Total Equities	 992,186	 588,734	 403,452
 Retirement Reserve	 632,088	 375,968	 256,120
 Total Equities and Reserves	 \$1,624,274	 \$964,702	 \$659,572

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD MEMBERS

NAME

TERM EXPIRES

C.R. "STEVE" HAFLINC, CHAIRMAN

JULY 20, 1990

JAMES P. WELLINGTON

MARCH 7, 1990

MARY A. NOTAR

MARCH 7, 1990

BEN HUMPHRIES

JUNE 20, 1988

MARLENE A. JOHNSON

JUNE 20, 1986



101 WEST BENSON BOULEVARD
ANCHORAGE, ALASKA 99503
907 563-4444

September 21, 1984

Mr. J. K. Humphreys, Director
Division of Retirement and Benefits
and
Members of the Public Employees' Retirement Board
Alaska Public Employees' Retirement System

In our opinion, the accompanying statements of net assets available for benefits and of changes in net assets available for benefits present fairly the financial position of the Alaska Public Employees' Retirement System at June 30, 1984 and 1983 and its changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

JUNE 30, 1984 AND 1983

(In Thousands)

<u>ASSETS</u>	<u>1984</u>	<u>1983</u>
Cash	\$ 64,083	\$ 3,207
Certificates of deposit and other short-term investments, at market value (cost - \$8,000 and \$32,358)	8,000	32,358
Investment securities:		
United States securities, at market value (cost - \$508,605 and \$426,059)	444,815	407,784
Other bonds, notes and debentures, at market value (cost - \$31,734 and \$32,405)	21,767	25,884
Common stocks, at market value (cost - \$44,965 and \$62,158)	44,383	89,278
Foreign Investments, at market value (cost - \$13,048)	12,475	
Financial futures	1	
Convertible issues, at market value (cost - \$495)		595
Real estate equity fund, at estimated market value (cost - \$77,279 and \$34,672)	81,850	36,449
Loans and mortgages, at cost	269,016	228,948
Contributions receivable	4,887	3,946
Investment income receivable	15,799	12,444
	<u>967,076</u>	<u>840,893</u>

LIABILITIES

Accrued expenses	<u>2,374</u>	<u>3,333</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u>\$964,702</u>	 <u>\$837,560</u>

See accompanying notes to financial statements

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED JUNE 30, 1984 AND 1983

(In Thousands)

	<u>1984</u>	<u>1983</u>
Net assets available for benefits, beginning of year	<u>\$837,560</u>	<u>\$609,104</u>
Unrealized increase (decrease) in market value of investments held at year end, net	<u>(74,541)</u>	<u>53,099</u>
Additions:		
Employee contributions	36,765	32,595
Employer contributions	114,245	99,727
Investment income	100,972	85,609
Interest on members' indebtedness	399	393
	<u>252,381</u>	<u>218,324</u>
Deductions:		
Medical benefits	6,939	4,541
Retirement benefits paid	33,060	28,401
Refunds to terminated members	8,923	7,683
Administrative expenses	1,776	2,342
	<u>50,698</u>	<u>42,967</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$964,702</u>	<u>\$837,560</u>

See accompanying notes to financial statements

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1984 AND 1983

NOTE 1 - ACCOUNTING ENTITY:

The Alaska Public Employees' Retirement System is a joint-contributory system created by Alaska statutes effective January 1, 1961. The System was established to encourage qualified personnel to enter and remain in the service of the State, political subdivision or public organization of the State. Inclusion in the System is a condition of employment for State of Alaska employees except as otherwise provided for an elected officer. A municipality or other political subdivision of the State may request to become an employer in this system. The Alaska Public Employees' Retirement System - Statutes, July 1, 1982 pamphlet details the benefits available and the eligibility requirements. Some of the more significant provisions are as follows:

Employee Contributions -

Contributions from employees are controlled by statute. Peace officers and firemen contribute 5% of their compensation. The contributions are deducted from each member's salary and are remitted to the System by the employer. All other employees contribute 4 1/4% of their compensation. Any employee may voluntarily contribute up to an additional 5% of their compensation. Such contributions are also deducted from the member's salary and are remitted to the system by the employer.

Employer Contributions -

Employer contributions are determined by actuarial formula on an annual basis. Current formulas are estimated to be sufficient to fund current service cost and to fund past service cost for a period of 25 years.

Types of Benefits -

The types of benefits provided to members include normal retirement benefits, disability pension benefits, cost of living allowance, major medical insurance benefits, death benefits, and other benefits. In addition, members may withdraw their contributions, plus accrued interest, upon termination of eligible employment and may withdraw voluntary contributions, plus accrued interest, with the consent of the administrator.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting -

The System maintains its accounting records on the cash basis of accounting with conversion to accrual for financial statement presentation.

Investments -

Security investments, other than real estate equity fund and loans and mortgages, are carried at market value to reflect the asset values of the System as determined by the last quoted sales price at June 30, 1984 and 1983. Investment income consists of interest, dividends and gains or losses generated by the sale of investments.

Loans and mortgages are serviced by the institution from which the loan is purchased. The policy of the System is to hold these investments until maturity and accordingly no market value has been determined. Loans and mortgages are stated at cost and include approximately \$1,858,567 and \$1,666,000 in Other Real Estate Owned (OREO) for 1984 and 1983, respectively. OREO's represent properties on which the System has foreclosed and is holding with the intent to resell.

Real estate equity funds are stated at estimated market value as determined by the independent management of the investment accounts. These investments do not have a readily available market and generally represent long-term investments.

Contributions Receivable -

Contributions from employees and employers for service through June 30 are accrued. These contributions are considered fully collectible and accordingly no allowance for uncollectible receivables is considered necessary.

Investment Income Receivable -

Investment income receivable represents amounts earned but not yet received as of June 30. These amounts are considered fully collectible and accordingly no allowance for uncollectible receivables is considered necessary.

NOTE 3 - ACTUARIAL DETERMINATION:

The System's consulting actuary, William M. Mercer, Incorporated, estimated the present value of accrued benefits to be approximately \$942,304,345 at June 30, 1983.

Contributions to the System are based upon recommendations from the actuary utilizing the actuarial cost method described below.

Significant assumptions underlying the June 30, 1983 determinations are as follows:

Actuarial cost method	Attained age normal, also known as aggregate method with supplemental liability, unfunded accrued benefit liability amortized over 25 years.
Mortality basis	1971 Group Annuity Mortality Table.
Retirement age	The earlier of age 62 and 15 years of service, but not prior to age 57 for "other" members. Police and fire members are assumed to retire at the earlier of 22 years of service or attainment of age 55.
Interest rate	Eight percent per annum, compounded annually, net of investment expenses.
Salary scale	Increase of eight percent per annum for the first five years of employment and seven percent per year thereafter.
Cost of living allowance (Domiciled in Alaska)	Sixty percent of those receiving benefits will be eligible to receive the cost of living allowance.
Contribution refunds	One hundred percent of those terminating after age 35 with five or more years of service will leave their contributions and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded.
Asset valuation	Three-year average ratio between market and cost values of the System's assets.

Turnover and disability assumptions are based upon actual historical occurrence rates of the System.

NOTE 4 - CONVERSION TO ACCRUAL ACCOUNTING AND MARKET VALUATION OF CERTAIN SECURITIES:

The effects of the accrual and market adjustments are as follows:

	(In Thousands)	
	<u>1984</u>	<u>1983</u>
Net assets available for benefits, cash basis at June 30	\$1,017,045	\$820,065
Adjustments to reflect conversion to accrual basis of accounting:		
Amortization of discount (premium)	(314)	238
Accrued contributions	4,887	3,946
Accrued investment income	15,798	12,444
Accrued refunds payable and certain other expenses	(2,374)	(3,333)
Adjustments to reflect market value of assets	<u>(70,341)</u>	<u>4,200</u>
Net assets available for benefits at June 30, as presented in the accompanying financial statements	<u>\$ 964,702</u>	<u>\$837,560</u>

NOTE 5 - PROPOSED CHANGES TO FINANCIAL STATEMENT PRESENTATION:

The Financial Accounting Standards Board (FASB) has issued Statement of Financial Accounting Standards No. 75 which defers indefinitely the effective date of Statement of Financial Accounting Standards No. 35, (SFAS 35) "Accounting and Reporting by Defined Benefit Pension Plans", for plans sponsored by state and local governments. The effect of complying with Statement No. 35 would be to present all assets at fair value. It is the present policy of the System to present all investments at market value except loans and mortgages which are presented at cost.

Further, the National Council of Governmental Accounting (NCGA) has also deferred indefinitely the effective date of NCGA Statement No. 6, "Pension Accounting and Financial Reporting: Public Employee Retirement Systems (PERS) and State and Local Government Employer Entities." Statement No. 6 calls for financial presentations including: 1) investments at cost or amortized cost with parenthetical disclosure of market value; 2) current liabilities; 3) the actuarial present value of credited projected benefits; and 4) the unfunded actuarial present value of credited projected benefits. The effect of these deferrals is

to allow NCGA's successor, the Governmental Accounting Standards Board, and FASB members to conduct additional discussions toward reconciling the material differences between NCGA Statement No. 6 and SFAS 35.

NOTE 6 - CONTINGENT LIABILITY:

The Alaska Public Employee's Retirement System (System) is a party to an action challenging the State's practice of making actuarial adjustments in early retirement calculation factors. If the actuarial adjustment at issue is ultimately rejected, the unfunded liability of the System may increase by approximately \$50,000,000. It is the opinion of the State Office of the Attorney General that the likelihood of the System prevailing in the litigation is quite strong.

Benefit Services / Consulting Actuaries

SUMMARY

We have completed a valuation of the Alaska Public Employees' Retirement System as of June 30, 1983. The principal results of the actuarial valuation are presented in this summary and analysis; the three sections which follow are meant to provide the necessary supporting details.

Section 1 presents the fundamental information on which the valuation was based. Included is a summary of plan provisions, information about plan participants, and disclosure of the actuarial method and assumptions used.

Section 2 presents the detailed actuarial valuation results for the State and all political subdivisions which are in PERS. Its sub-sections present a step-by-step derivation of the recommended contribution.

Section 3 presents the detailed valuation results for the State alone.

The purposes of an actuarial valuation are:

1. To examine the status of funding of the Plan, and
2. To determine the contribution rates for the State and for each political subdivision of the State.

The most significant results of the valuation are as follows:

	<u>6-30-82</u>	<u>6-30-83</u>
(1) Status of Funding		
(a) Valuation Assets*	\$613,653	\$797,442
(b) Present Value of* Accrued Benefits	775,115	942,304
(c) Accrued Benefit Funding Ratio	79.2%	84.6%
(2) Contributions for Fiscal Year	<u>1985</u>	<u>1986</u>
(a) Consolidated Rate	11.36%	11.82%
(b) Average Past Service Rate	2.26%	1.77%
(c) Average Total Contribution Rate	13.62%	13.59%

* In thousands.

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions, in conjunction with employee data provided to us, to determine a sound value for the Plan liabilities. I certify that, to the best of my knowledge and belief, the attached statements are true and correct.

Respectfully submitted,



Robert F. Richardson, ASA
Principal

RFR:js

February 21, 1984

1.6 ACTUARIAL METHOD AND ASSUMPTIONS

Valuation of Liabilities

A. Actuarial Method - Attained Age Normal, also known as Aggregate Method with Supplemental Liability. The unfunded accrued benefit liability is amortized over 25 years.

B. Actuarial Assumptions -

- | | |
|--------------------------|---|
| 1. Interest | 8% per year, compounded annually, net of investment expenses. |
| 2. Salary Scale | 8% per year for the first five years of employment and 7% per year thereafter. |
| 3. Health Cost Inflation | 8% per year. |
| 4. Mortality | 1971 Group Annuity Mortality Table. |
| 5. Turnover | Based upon the 1980-81 actual total turnover experience. (See Table 1). |
| 6. Disability | Incidence rates in accordance with Table 2. Post-disability mortality in accordance with rates published by the Pension Benefit Guaranty Corporation to reflect mortality of those receiving disability benefits under Social Security. 94% of the disabilities are assumed to be occupational for police and fire; 28% for others. |
| 7. Retirement Age | The earlier of age 62 and 15 years of service, but not prior to age 57 for "other" members. Police and fire members are assumed to retire at the earlier of 22 years of service or attainment of age 55. |
| 8. Spouse's Age | Wives are assumed to be four years younger than husbands. |

- | | |
|-------------------------|---|
| 9. Contribution Refunds | 100% of those terminating after age 35 with five or more years of service will leave their contributions and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded. |
| 10. C.O.L.A. | 60% of those receiving retirement benefits will be eligible for C.O.L.A. |
| 11. Expenses | No loading for expenses. |

Valuation of Assets

Based upon the three-year average ratio between market and cost values of the System's assets. Assets are accounted for on an accrued basis.

Valuation of Medical Benefits

Medical benefits for retirees are provided by the payment of premiums from the trust fund. A pre-65 cost and lower post-65 cost (due to Medicare) were assumed such that the total rate for all retirees equals the present premium rate. These medical premiums are then increased with the health inflation assumption. The actuarial cost method used for funding health benefits is the same method used to fund retirement benefits. Health benefits are assumed to be fully accrued once a member becomes vested.

EMPLOYEE TURNOVER ASSUMPTIONS

Select Rates of Turnover During the First 4 Years of Employment		Ultimate Rates of Turnover After 4 Years of Employment		
<u>Year of Employment</u>	<u>Police & Fire</u>	<u>Police & Fire</u>	<u>Attained Age</u>	<u>"Other"</u>
1	.11	.2000	20	.2500
2	.15	.2000	21	.2500
3	.13	.2000	22	.2500
4	.10	.2000	23	.2500
		.2000	24	.2500
		.2000	25	.2500
<u>Year of Employment</u>	<u>"Other" Males</u>	.1760	26	.2200
1	.30	.1520	27	.1900
2	.28	.1280	28	.1600
3	.26	.1040	29	.1300
4	.18	.0800	30	.1000
		.0760	31	.0950
		.0720	32	.0900
<u>Year of Employment</u>	<u>"Other" Females</u>	.0700	33	.0875
1	.40	.0680	34	.0850
2	.35	.0680	35	.0850
3	.28	.0680	36	.0850
4	.20	.0660	37	.0825
		.0640	38	.0800
		.0640	39	.0800
		.0640	40	.0800
		.0620	41	.0775
		.0600	42	.0750
		.0600	43	.0750
		.0600	44	.0750
		.0580	45	.0725
		.0560	46	.0700
		.0560	47	.0700
		.0540	48	.0675
		.0520	49	.0650
		.0480	50	.0600
		.0400	51	.0500
		.0400	52	.0500
		.0400	53	.0500
		.0400	54	.0500
		.0400	55	.0500
		.0400	56	.0500
		.0400	57	.0500
		.0400	58	.0500
		.0400	59	.0500
		.0240	60 & Up	.0300

Disability RatesAnnual Rates Per 1,000 Employees

<u>Age</u>	<u>Police & Fire Rate</u>	<u>"Other" Member Rate</u>
20	1.93	.60
21	1.95	.60
22	1.98	.61
23	2.01	.62
24	2.04	.63
25	2.06	.64
26	2.09	.65
27	2.15	.66
28	2.20	.68
29	2.26	.70
30	2.31	.71
31	2.37	.73
32	2.42	.75
33	2.48	.77
34	2.56	.79
35	2.64	.82
36	2.72	.84
37	2.83	.88
38	2.94	.91
39	3.05	.94
40	3.16	.98
41	3.30	1.02
42	3.49	1.08
43	3.74	1.16
44	4.07	1.26
45	4.46	1.38
46	4.84	1.50
47	5.25	1.62
48	5.69	1.76
49	6.13	1.90
50	6.60	2.04
51	7.15	2.21
52	7.87	2.43
53	8.75	2.70
54	9.76	3.02
55	11.00	3.40
56	12.62	3.90
57	14.69	4.54
58	16.78	5.19
59	19.80	6.12

2.5(c) DEVELOPMENT OF AVERAGE
EMPLOYER CONTRIBUTION RATE - FY86
ALL MEMBERS
TOTAL SYSTEM

Consolidated Rate

(1) Present Value of Fully Projected Benefits	\$1,861,671,748
(2) Present Value of Accrued Benefits	942,304,338
(3) Current Member Arrearages	17,177,662
(4) Present Value of Future Consolidated Employer Contributions, (1) - (2) - (3)	902,189,748
(5) Present Value of Future Salaries	5,586,775,289
(6) Normal Cost Rate for All Members, (4) ÷ (5)	16.15%
(7) Average Member Contribution Rate	4.33%
(8) Consolidated Rate, (6) - (7)	11.82%

Past Service Rate

(1) Present Value of Accrued Benefits	\$ 942,304,338
(2) Valuation Assets	797,442,000
(3) Total Unfunded Liability	144,862,338
(4) 25-Year Amortization Factor	11.528758
(5) Past Service Payment	\$ 12,565,304
(6) Total Salaries	709,573,873
(7) Past Service Rate	1.77%

Total Employer Contribution Rate 13.59%

13.69

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	FISCAL YEAR ENDED	
	June 30, 1984	June 30, 1983
Beginning Equities & Reserves	\$837,559,599	\$609,103,807
Additions:		
Employees' Contributions		
Alaska, State of	20,579,258	18,360,886
Alaska Housing Finance Corporation	57,424	58,835
Alaska Municipal League	7,738	4,560
Alaska State Housing Authority	141,953	119,302
Alaska Unorganized Borough Schools	(326)	(1,293)
Alaska, University of	2,482,486	2,242,925
Alaska, University of, Geophysical Inst.	113,370	146,052
Aleutian Region School District	12,756	12,692
Anchorage, Municipality of	3,442,560	2,894,131
Anchorage School District	1,415,087	1,332,031
Annette Island School District	16,283	14,829
Barrow, City of	22,270	-0-
Bering Straits School District	108,290	60,754
Bethel, City of	17,917	20,992
Bristol Bay Borough	27,475	17,257
Bristol Bay Borough School District	16,910	13,661
Bristol Bay Regional Resource Center	-0-	(124)
Chatham School District	11,227	10,487
Chugach Region School District	442	4,450
Copper River School District	28,615	33,390
Cordova, City of	54,610	57,557
Cordova Community Hospital	26,636	27,925
Cordova Public Schools	18,011	15,115
Craig, City of	14,169	8,960
Dillingham, City of	46,959	46,660
Fairbanks, City of	540,296	475,994
Fairbanks Municipal Utility System	270,031	258,589
Fairbanks North Star Borough	408,719	296,965
Fairbanks North Star Borough School District	539,200	497,286
Fort Yukon, City of	9,364	12,487
Galena, City of	25,510	(3,860)
Galena City Schools	13,276	12,792
Haines Borough	2,398	6,858
Haines, City of	24,300	20,697
Hoonah City Schools	13,055	11,281
Hydaburg City School District	6,072	4,921
Iditarod Area School District	42,302	40,685

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

FISCAL YEAR ENDED
June 30, 1984 June 30, 1983

Additions - Continued:

Employees' Contributions - Continued:

Juneau, City and Borough of	777,212	666,983
Juneau Borough School District	131,901	101,993
Kenai, City of	108,656	111,862
Kenai Peninsula Borough	249,593	218,953
Kenai Peninsula Borough School District	246,340	209,549
Ketchikan, City of	198,969	164,193
Ketchikan Gateway Borough	61,727	49,543
Ketchikan Gateway Borough School District	29,944	28,613
King Cove, City of	11,285	12,683
King Cove City School District	8,796	7,899
Kodiak, City of	172,829	145,713
Kodiak Island Borough	40,880	56,281
Kodiak Island Borough School District	120,059	114,654
Kotzebue, City of	89,619	47,367
Kuspuk School District	37,878	27,627
Lake and Peninsula School District	37,619	37,925
Lower Kuskokwim School District	318,243	263,247
Lower Yukon School District	117,449	96,579
Matanuska-Susitna Borough	199,935	161,816
Matanuska-Susitna Borough School District	254,153	213,156
Nenana, City of	10,341	9,625
Nenana City School	8,391	5,977
Nome, City of	54,938	29,498
Nome City Schools	43,682	36,359
Nome Public Utilities	33,056	30,329
North Pacific Fisheries Management Council	19,831	13,085
North Pole, City of	31,144	41,954
North Slope Borough	1,073,308	1,089,883
North Slope Borough School District	220,005	122,093
Northwest Arctic School District	172,874	176,931
Palmer, City of	78,997	47,934
Petersburg, City of	99,178	73,069
Petersburg General Hospital	25,818	26,918
Pribilof Region School District	17,503	10,344
Railbelt School District	21,083	22,861
St. Paul, City of	2,531	12,415
Sand Point, City of	18,938	9,900
Sand Point City School District	5,431	4,496

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	<u>FISCAL YEAR ENDED</u>	
	<u>June 30, 1984</u>	<u>June 30, 1983</u>
Additions - Continued:		
Employees' Contributions - Continued:		
Saxman, City of	11,590	-0-
Seward, City of	101,196	93,595
Sitka, City and Borough of	136,948	137,200
Sitka Community Hospital	78,430	52,242
Sitka Borough School District	56,256	49,259
Skagway, City of	15,794	2,258
Soldotna, City of	33,263	27,406
Southeast Islands School District	12,088	13,094
Southeast Regional Resource Center	28,345	32,628
Southwest Region Schools	51,655	54,104
Tanana, City of	3,193	17,833
Tanana City School District	15,554	3,207
Terminated Employers	778	26,815
Unalakleet, City of	18,505	-0-
Unalaska, City of	85,880	83,176
Valdez, City of	173,455	152,173
Valdez City Schools	59,894	65,234
Wasilla, City of	13,339	8,707
Western Regional Resource Center	-0-	1,301
Wrangell, City of	58,946	53,314
Wrangell City Schools	13,516	11,802
Yukon Flats School District	37,474	32,483
Yukon Koyukuk School District	51,958	39,341
Total Employees' Contributions	<u>36,764,836</u>	<u>32,594,208</u>

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

FISCAL YEAR ENDED
June 30, 1984 June 30, 1983

Additions - Continued:
Employers' Contributions:

Alaska, State of	65,300,517	57,078,494
Alaska Housing Finance Corporation	185,123	162,407
Alaska Municipal League	34,450	29,535
Alaska State Housing Authority	542,072	401,895
Alaska Unorganized Borough Schools	-0-	-0-
Alaska, University of	6,796,753	6,124,342
Alaska, University of, Geophysical Inst.	379,418	381,919
Aleutian Region School District	25,098	31,532
Anchorage, Municipality of	11,848,139	10,199,398
Anchorage School District	5,000,043	4,208,851
Annette Island School District	38,662	38,167
Barrow, City of	24,996	-0-
Bering Straits School District	284,384	172,400
Bethel, City of	51,239	50,887
Bristol Bay Borough	47,851	46,506
Bristol Bay Borough School District	58,221	47,995
Bristol Bay Regional Resource Center	-0-	(319)
Chatham School District	30,699	23,942
Chugach Region School District	4,717	3,506
Copper River School District	58,210	68,485
Cordova, City of	209,446	197,768
Cordova Community Hospital	70,960	68,632
Cordova Public Schools	69,247	65,972
Craig, City of	33,559	27,444
Dillingham, City of	93,726	74,198
Fairbanks, City of	1,890,383	1,715,568
Fairbanks Municipal Utility System	1,074,202	969,932
Fairbanks North Star Borough	1,107,500	868,599
Fairbanks North Star Borough School District	1,415,201	1,332,021
Fort Yukon, City of	18,486	25,245
Galena, City of	78,670	21,058
Galena City Schools	37,257	32,747
Haines Borough	7,746	3,966
Haines, City of	65,183	55,260
Hoonah City Schools	37,332	37,584
Hydaburg City School District	16,939	13,239
Iditarod Area School District	98,903	91,563

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

FISCAL YEAR ENDED
June 30, 1984 June 30, 1983

Additions - Continued:

Employers' Contributions - Continued:

Juneau, City and Borough	1,939,480	1,608,414
Juneau Borough School District	391,157	378,306
Kenai, City of	280,391	255,149
Kenai Peninsula Borough	689,485	615,814
Kenai Peninsula Borough School District	962,739	827,414
Ketchikan, City of	963,852	652,095
Ketchikan Gateway Borough	160,179	151,061
Ketchikan Gateway Borough School District	119,872	84,058
King Cove, City of	39,345	27,879
King Cove City School District	25,391	23,367
Kodiak, City of	479,320	475,426
Kodiak Island Borough	169,400	161,094
Kodiak Island Borough School District	376,350	355,686
Kotzebue, City of	219,891	111,987
Kuspuk School District	84,335	73,181
Lake and Peninsula School District	89,124	99,045
Lower Kuskokwim School District	774,058	666,847
Lower Yukon School District	275,257	264,184
Matanuska-Susitna Borough	487,236	410,800
Matanuska-Susitna Borough School District	756,807	589,212
Nenana, City of	33,922	34,591
Nenana City School	26,890	18,382
Nome, City of	189,243	174,676
Nome City School	133,207	120,658
Nome Public Utilities	49,662	56,798
North Pacific Fisheries Management Council	47,992	44,234
North Pole, City of	91,248	70,557
North Slope Borough	2,636,594	2,477,476
North Slope Borough School District	515,810	357,333
Northwest Arctic School District	416,088	504,407
Palmer, City of	194,348	173,324
Petersburg, City of	298,796	277,762
Petersburg General Hospital	89,365	102,123
Pribilof Region School District	27,099	29,992
Railbelt School District	54,972	55,771
St. Paul, City of	17,019	25,777
Sand Point, City of	34,310	26,691
Sand Point City School District	13,083	12,566

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

FISCAL YEAR ENDED
June 30, 1984 June 30, 1983

Additions - Continued:

Employers' Contributions - Continued:

Saxman, City of	6,378	-0-
Seward, City of	294,934	264,602
Sitka, City and Borough of	517,704	460,371
Sitka Community Hospital	189,862	129,863
Sitka Borough School District	209,339	187,042
Skagway, City of	59,198	38,923
Soldotna, City of	74,673	62,572
Southeast Islands School District	35,755	32,010
Southeast Regional Resource Center	65,531	49,473
Southwest Region Schools	134,866	136,937
Tanana, City of	36,165	30,438
Tanana City School District	14,165	(2,555)
Terminated Employers	40,454	10,116
Unalakleet, City of	58,270	-0-
Unalaska, City of	234,267	218,796
Valdez, City of	430,373	401,660
Valdez City Schools	170,156	172,382
Wasilla, City of	32,179	26,139
Western Regional Resource Center	-0-	3,352
Wrangell, City of	167,478	166,974
Wrangell City Schools	60,319	54,182
Yukon Flats School District	79,659	92,935
Yukon Koyukuk School District	<u>144,774</u>	<u>125,770</u>
 Total Employers' Contributions	 <u>114,245,148</u>	 <u>99,726,866</u>
 Interest Earned on Reinstatements	 399,123	 392,355
 Net Investment Income	 100,972,192	 85,609,413
 Market Value Adjustment	 <u>(74,541,374)</u>	 <u>53,099,225</u>
 Total Additions	 <u>177,839,925</u>	 <u>271,422,067</u>
 Total Equities, Reserves and Additions	 <u>1,015,399,524</u>	 <u>880,525,874</u>

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	FISCAL YEAR ENDED	
	<u>June 30, 1984</u>	<u>June 30, 1983</u>
Deductions:		
Administrative Expenses		
Personal Services	708,456	736,684
Travel and Moving	33,045	32,271
Contractual Services	428,717	1,001,389
Supplies and Materials	28,490	4,681
Machinery/Equipment	66,755	25,430
Inter-agency Services	<u>510,000</u>	<u>441,200</u>
Total Administrative Services	<u>1,775,463</u>	<u>2,241,655</u>
Employees' Contributions and Interest		
Refunded	8,888,000	7,622,566
Employers' Contributions Refunded	35,295	59,538
Medical Benefit Expenses	6,938,929	4,541,484
Retirement Benefits Paid	<u>33,059,819</u>	<u>28,401,021</u>
Total Deductions	<u>50,697,506</u>	<u>42,866,264</u>
Ending Equities and Reserves	964,702,018	837,659,610
Adjustment to Fund Balance - Prior Year		<u>(100,000)</u>
Ending Equities and Reserves - Adjusted	<u>\$964,702,018</u>	<u>\$837,559,610</u>

Fiscal Year 1984 Public Employees' Retirement System Benefit Payments Breakdown

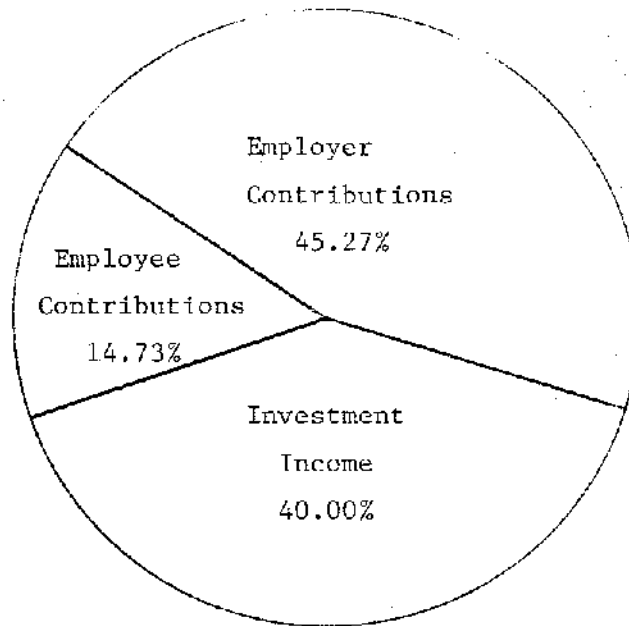
Benefit Type	Totals All Categories	Regular Retirees	Peace Officer Retirees	Fireman Retirees	*Elected Off. Retirees
Base Benefits	\$ 25,273,581	\$ 22,840,563	\$ 1,947,740	\$ 377,560	\$ 107,718
COLA	2,185,372	1,965,425	173,832	32,577	13,538
Widow Annuity	695,704	632,874	29,420	33,410	
Survivor Benefits	369,846	180,305	128,447	61,094	
Disability Benefits	786,817	518,481	173,630	81,616	13,090
PRPA	3,477,455	3,158,007	239,125	80,323	
Voluntary Annuity	6,496	6,093	403		
Lump Sum Benefit	264,547	245,635	15,821		3,091
Medical Benefits	6,938,929	6,560,996	272,255	69,855	35,823
Totals by Membership Category		\$ 36,108,379	\$ 2,980,673	\$ 736,435	\$ 173,260
Totals all Benefits	\$ 39,998,747				

Total Retirees (6/30/84)	3,874
Retirees by Membership Category	
Average Benefit, by Category	
- All Categories	\$ 10,325

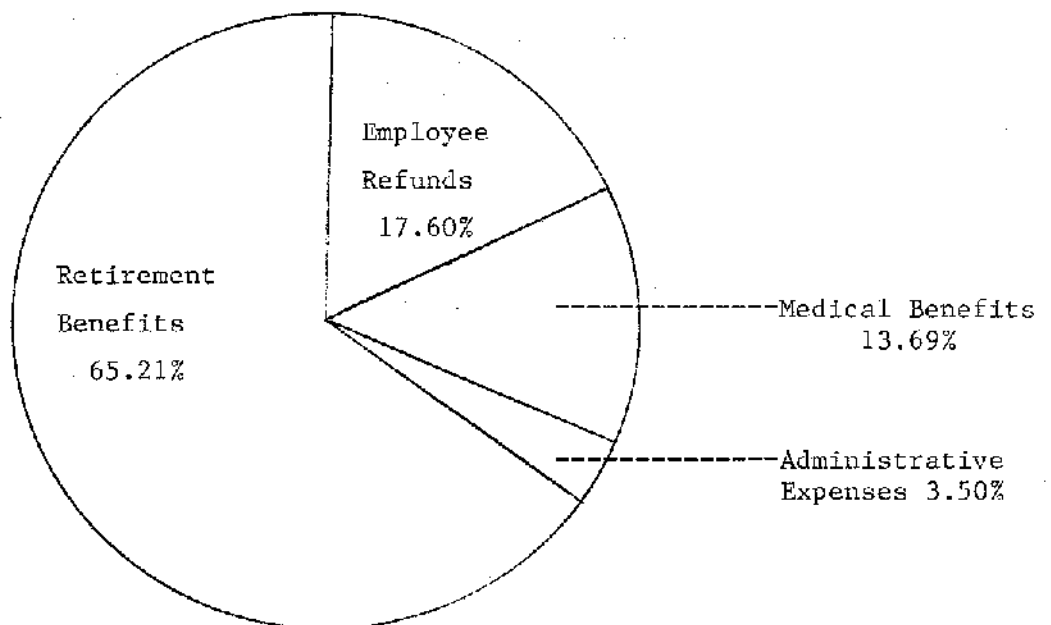
	3,663	152	39	20
	\$ 9,858	\$ 19,610	\$ 18,883	\$ 8,663

* Active and Retired Elected Public Officers as of October 13, 1976, were mandatorily transferred to the Elected Public Officers Retirement System (EPORS), which was established by Legislation on January 1, 1976. Under current Legislation, all other elected officials may participate in the PERS or the IRS, or do not participate at their option.

State of Alaska
Public Employees' Retirement System
Year Ended June 30, 1984
Income and Receipts
\$252,381,299



Disbursements
\$50,697,506



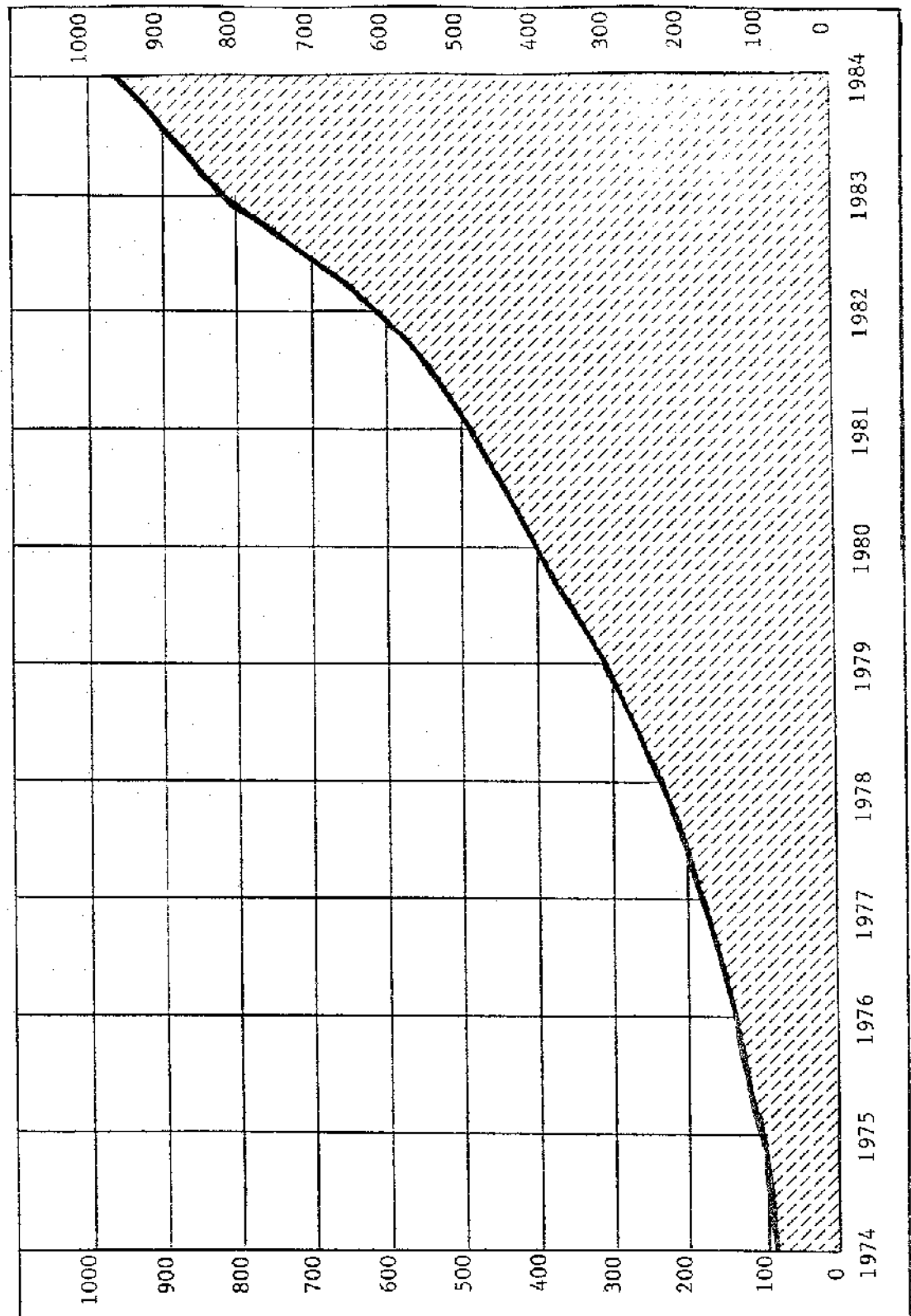
STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Historical Data
Fiscal Years 1974 through 1984
(cents omitted)

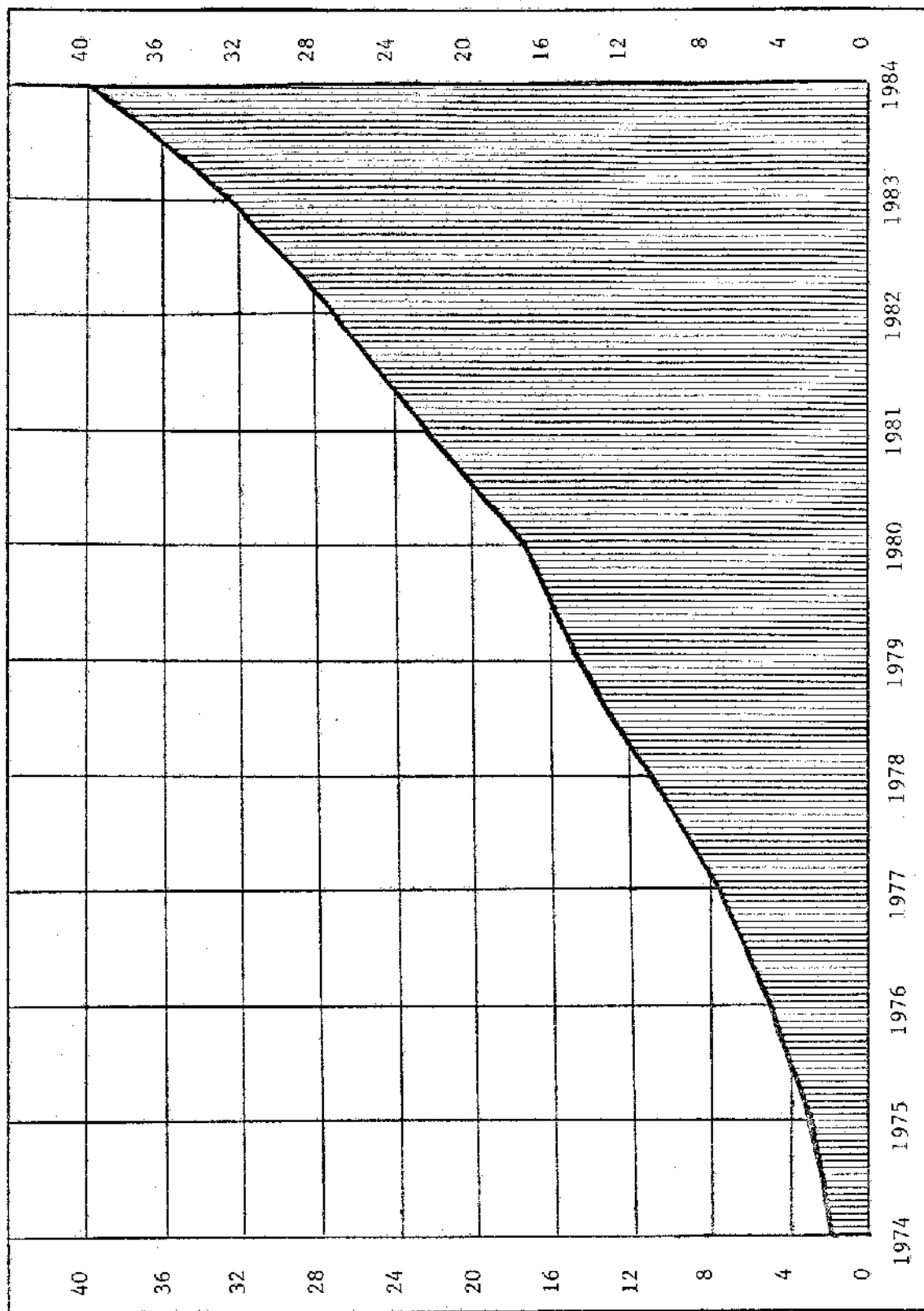
Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year	Employees' Contributions During Fiscal Year	Benefits Paid Including Medical Expenses & Death Benefits	Employees' Contributions and Interest Refunded During Fiscal Year	Net Investment Income During Fiscal Year
1974	89,606,549	9,439,931	6,805,053	1,714,642	2,334,265	2,270,806
1975	107,556,336	13,435,344	8,449,474	2,810,321	3,163,052	2,365,398
1976	141,988,644	22,712,558	12,348,074	4,842,542	3,758,719	8,367,857
1977	190,954,572	34,881,182	13,438,538	7,607,162	3,816,748	12,602,465
1978	246,662,043	38,735,575	16,176,433	11,005,738	4,345,592	16,612,594
* 1979	316,675,507	47,613,575	17,631,003	14,947,478	4,978,848	25,177,371
1980	402,125,897	56,236,318	20,898,263	17,775,811	5,759,464	37,489,889
1981	493,075,440	71,832,706	24,321,437	22,803,960	7,606,149	50,366,085
1982	609,103,807	88,332,287	28,918,210	27,438,183	7,192,268	51,408,749
1983	837,559,610	99,726,866	32,594,208	32,942,505	7,682,104	85,609,413
1984	964,702,019	114,245,148	36,764,836	39,998,747	8,888,000	100,972,192

* Figures presented on an accrual basis effective FY 1979.

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
TOTAL ASSETS
Fiscal Years 1974 through 1984



PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BENEFITS PAID
Fiscal Years 1974 through 1984



IN MILLIONS OF DOLLARS

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1984

<u>Employer</u>	<u>Percentage</u>
Alaska, State of	19.90
Policemen, Firemen	14.31
Inland Boatmen	13.20
All Other Employees	13.70
Alaska Housing Finance Corporation	29.79
Alaska Municipal League	17.02
Alaska State Housing Authority	12.04
Alaska, University of	12.04
Alaska, University of, Geophysical Institute	8.62
Aleutian Region School District	14.83
Anchorage, Municipality of	15.29
Anchorage School District	10.10
Annette Island School District	12.60
Barrow, City of	11.46
Bering Straits School District	12.58
Bethel, City of	8.45
Bristol Bay Borough	15.96
Bristol Bay Borough School District	11.62
Chatham School District	7.94
Chugach Regional School District	9.08
Copper River School District	16.23
Cordova, City of	10.10
Cordova Community Hospital	16.34
Cordova Public Schools	10.14
Craig, City of	10.00
Dillingham, City of	16.98
Fairbanks, City of	16.98
Fairbanks Public Utilities	11.57
Fairbanks North Star Borough	11.57
Fairbanks North Star Borough School District	12.54
Fort Yukon, City of	13.28
Galena, City of	11.93
Galena City Schools	13.73
Haines Borough	12.10
Haines, City of	12.26
Hoonah City Schools	12.03
Hydaburg City School District	10.88
Iditarod Area Schools	13.19
Juneau Borough Schools	10.89
Juneau, City and Borough of	9.88
Kenai, City of	14.39
Kenai Peninsula Borough	15.42
Kenai Peninsula Borough School District	23.50
Ketchikan, City of	11.75
Ketchikan Gateway Borough	

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1984

Continued

<u>Employer</u>	<u>Percentage</u>
Ketchikan Gateway Borough School District	15.72
King Cove, City of	10.30
King Cove City School District	12.46
Kodiak, City of	13.29
Kodiak Island Borough	12.17
Kodiak Island Borough School District	13.35
Kotzebue, City of	11.53
Kuspuk School District	11.17
Lake & Peninsula School District	11.30
Lower Kuskokwim School District	10.28
Lower Yukon School District	10.54
Matanuska-Susitna Borough	13.42
Matanuska-Susitna Borough School District	13.42
Nenana, City of	14.97
Nenana City Public Schools	13.64
Nome, City of	15.66
Nome City Schools	13.39
Nome Joint Utilities	7.41
North Pacific Fisheries Mgt. Council	10.89
North Pole, City of	12.81
North Slope Borough	10.29
North Slope Borough School District	11.01
Northwest Arctic School District	10.06
Palmer, City of	14.98
Petersburg, City of	15.45
Petersburg General Hospital	15.45
Pribilof Region School District	9.70
Railbelt School District	10.42
Saint Paul, City of	9.55
Sand Point, City of	11.29
Sand Point City School District	11.19
Saxman, City of	12.03
Seward, City of	15.21
Sitka, City and Borough of	16.68
Sitka Community Hospital	11.84
Sitka Borough School District	16.68
Skagway, City of	16.97
Soldotna, City of	10.88
Southeast Islands School District	10.18
Southeast Regional Resource Center	11.37
Southwest Region Schools	10.44
Tanana, City of	12.03
Tanana City School District	12.03
Unalakleet, City of	13.89
Unalaska, City of	11.63

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1984

Continued

<u>Employer</u>	<u>Percentage</u>
Valdez, City of	11.23
Valdez City Schools	10.91
Wasilla, City of	12.03
Wrangell, City of	13.06
Wrangell City Schools	20.11
Yukon Flats School District	8.82
Yukon Koyukuk School District	11.85

STATE OF ALASKA

TEACHERS' RETIREMENT SYSTEM

BOARD MEMBERS

NAME

TERM EXPIRES

DOROTHY WELLS, CHAIRPERSON

JUNE 30, 1987

CATHERINE LARSON

JUNE 30, 1987

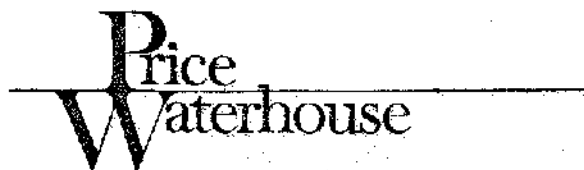
CHARLES M. ARTEAGA

JANUARY 31, 1987

MERRITT C. OLSON

JANUARY 31, 1986

VACANT



101 WEST BENSON BOULEVARD
ANCHORAGE, ALASKA 99503
907 563-4444

September 21, 1984

Mr. J. K. Humphreys, Director
Division of Retirement and Benefits
and
Members of the Teachers' Retirement Board
Alaska Teachers' Retirement System

In our opinion, the accompanying statements of net assets available for benefits and of changes in net assets available for benefits present fairly the financial position of the Alaska Teachers' Retirement System at June 30, 1984 and 1983 and its changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

ALASKA TEACHERS' RETIREMENT SYSTEM
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

JUNE 30, 1984 AND 1983

(In Thousands)

<u>ASSETS</u>	<u>1984</u>	<u>1983</u>
Cash	\$ 48,001	\$ 2,414
Other short-term investments, at market value (cost - \$8,000 and \$20,350)	8,000	20,350
Investment securities:		
United States securities, at market value (cost - \$318,711 and \$241,511)	278,406	227,881
Other bonds, notes and debentures, at market value (cost - \$25,368 and \$25,864)	17,236	20,496
Gold (committed on futures contracts for 1982), at market value (cost - \$20,906)		14,181
Common stocks, at market value (cost - \$34,566 and \$61,890)	34,016	88,315
Convertible issues, at market value (cost - \$1,770)		1,866
Foreign investments (cost \$11,806)	11,290	
Financial futures	1	
Real estate equity fund, at estimated market value (cost - \$51,625 and \$27,924)	55,427	29,592
Loans and mortgages, at cost	185,399	169,842
Contributions receivable	15,098	11,101
Investment income receivable	9,144	7,863
	<u>662,018</u>	<u>593,901</u>
 <u>LIABILITIES</u>		
Accrued expenses	<u>2,446</u>	<u>2,519</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$659,572</u>	<u>\$591,382</u>

See accompanying notes to financial statements

ALASKA TEACHERS' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED JUNE 30, 1984 AND 1983

(In Thousands)

	<u>1984</u>	<u>1983</u>
Net assets available for benefits, beginning of year	<u>\$591,382</u>	<u>\$443,529</u>
Unrealized increase (decrease) in market value of investments held at year end, net	<u>(48,194)</u>	<u>36,218</u>
Additions:		
Employee contributions	27,257	24,546
Employer contributions and state match	63,316	54,718
Investment income	60,586	62,075
Interest on members' indebtedness	<u>973</u>	<u>771</u>
	<u>152,132</u>	<u>142,110</u>
Deductions:		
Medical benefits	3,257	2,307
Retirement benefits paid	27,792	24,053
Refunds to terminated members	3,094	2,509
Administrative expenses	<u>1,605</u>	<u>1,606</u>
	<u>35,748</u>	<u>30,475</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$659,572</u>	<u>\$591,382</u>

See accompanying notes to financial statements

ALASKA TEACHERS' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1984 AND 1983

NOTE 1 - ACCOUNTING ENTITY:

The Alaska Teachers' Retirement System is a joint-contributory system created by Alaska statutes effective July 1, 1955. The System was established to provide benefits for teachers and other eligible participants. The Alaska Teachers' Retirement System - Statutes, July 1, 1982 pamphlet details the benefits and the eligibility requirements. Some of the more significant provisions are as follows:

Employee Contributions -

Contributions from members are 7% of their base salary as required by statute. A qualified member may make an additional contribution of 1% of their base salary. The contributions are deducted from the member's salary and remitted to the system by the employer.

Employer Contributions -

Employer contributions are determined by actuarial formula and approved by the Administrator. Current formulas are estimated to be sufficient to fund current service cost and to fund past service cost for a period of 25 years.

Types of Benefits -

The types of benefits provided to members include full and early retirement benefits, disability benefits, major medical benefits, cost of living allowance, death benefits or survivor allowances to qualified members and other benefits. In addition, members may withdraw their mandatory contributions, plus accrued interest, upon termination.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting -

The System maintains its accounting records on the cash basis of accounting with conversion to accrual for financial statement presentation.

Investments -

Security investments, other than real estate equity fund and loans and mortgages, are carried at market value to reflect the asset values of the System as determined by the last quoted sales price at June 30, 1984 and 1983. Investment income consists of interest, dividends and gains or losses generated by the sale of investments.

Loans and mortgages are serviced by the institution from which the loan is purchased. The policy of the System is to hold these investments until maturity and accordingly no market value has been determined. Loans and mortgages are stated at cost and include approximately \$1,881,820 and \$1,804,000 in Other Real Estate Owned (OREO) for 1984 and 1983, respectively. OREO's represent properties on which the System has foreclosed and is holding with the intent to resell.

Real estate equity funds are stated at estimated market value as determined by the independent management of the investment accounts. These investments do not have a readily available market and generally represent long-term investments.

At June 30, 1983, the investment in gold represented 34,088.545 fine troy ounces held with an independent custodian.

Contributions Receivable -

Contributions from employees and employers for service through June 30 are accrued. These contributions are considered fully collectible and accordingly no allowance for uncollectible receivables is considered necessary.

Investment Income Receivable -

Investment income receivable represents amounts earned but not yet received as of June 30. These amounts are considered fully collectible and accordingly no allowance for uncollectible receivables is considered necessary.

NOTE 3 - ACTUARIAL DETERMINATION:

The System's consulting actuary, William M. Mercer, Incorporated, estimated the present value of accrued benefits to be approximately \$706,795,000 at June 30, 1983.

Contributions to the System are based upon recommendations from the actuary utilizing the actuarial cost method described below.

Significant assumptions underlying the June 30, 1983 determinations are as follows:

Actuarial cost method	Attained age normal, also known as Aggregate Method with Supplemental Liability, unfunded accrued benefit liability amortized over 25 years.
Mortality basis	1971 Group Annuity Mortality Table.
Retirement age	Average of age 60 and the earliest age for which unreduced retirement benefits will be available.
Interest rate	Eight percent per annum, compounded annually, net of investment expenses.
Salary scale	Increase of eight percent per annum for the first five years of employment and seven percent per year thereafter.
Cost of living allowance (Domiciled in Alaska)	Forty-nine percent of those receiving benefits will be eligible to receive the cost of living allowance.
Contribution refunds	One hundred percent of those terminating after age 35 with eight or more years of service will leave their contributions and thereby retain their deferred vested benefits. All others who terminate are assumed to have their contributions refunded.
Asset valuation	Three-year average ratio between market and book values of the System's assets.

Turnover and disability assumptions are based upon actual historical occurrence rates of the System.

NOTE 4 - CONVERSION TO ACCRUAL ACCOUNTING AND MARKET VALUATION OF CERTAIN SECURITIES:

The effects of the accrual and market adjustments are as follows:

	(In Thousands)	
	<u>1984</u>	<u>1983</u>
Net assets available for benefits, cash basis at June 30	\$683,478	\$572,470
Adjustments to reflect conversion to accrual basis of accounting:		
Accrued contributions	15,098	11,101
Accrued investment income	9,144	7,863
Accrued refunds payable and certain other expenses	(2,446)	(2,519)
Adjustments to reflect market value of assets	<u>(45,702)</u>	<u>2,467</u>
Net assets available for benefits at June 30, as presented in the accompanying financial statements	<u>\$659,572</u>	<u>\$591,382</u>

NOTE 5 - PROPOSED CHANGES TO FINANCIAL STATEMENT PRESENTATION:

The Financial Accounting Standards Board (FASB) has issued Statement of Financial Accounting Standards No. 75 which defers indefinitely the effective date of Statement of Financial Accounting Standards No. 35, (SFAS 35) "Accounting and Reporting by Defined Benefit Pension Plans", for plans sponsored by state and local governments. The effect of complying with Statement No. 35 would be to present all assets at fair value. It is the present policy of the System to present all investments at market value except loans and mortgages which are presented at cost.

Further, the National Council of Governmental Accounting (NCGA) has also deferred indefinitely the effective date of NCGA Statement No. 6, "Pension Accounting and Financial Reporting: Public Employee Retirement Systems (PERS) and State and Local Government Employer Entities." Statement No. 6 calls for financial presentations including: 1) investments at cost or amortized cost with parenthetical disclosure of market value; 2) current liabilities; 3) the actuarial present value of credited projected benefits; and 4) the unfunded actuarial present value of credited projected benefits.

The effect of these deferrals is to allow NCGA's successor, the Governmental Accounting Standards Board, and FASB members to conduct additional discussions toward reconciling the material differences between NCGA Statement No. 6 and SFAS 35.

Benefit Services / Consulting Actuaries

SUMMARY

We have completed a valuation of the Alaska Teachers' Retirement System as of June 30, 1983. The principal results of the actuarial valuation are presented in this summary and analysis; the two sections which follow are meant to provide the necessary supporting details.

Section 1 presents the fundamental information on which the valuation was based. Included is a summary of plan provisions, information about plan participants, and disclosure of the actuarial method and assumptions used.

Section 2 presents the detailed actuarial valuation results. Its subsections present a step-by-step derivation of the recommended contribution. In addition, information requested by the auditors of the Retirement System is presented.

The purposes of an actuarial valuation are:

1. To examine the status of funding of the Plan, and
2. To determine the contribution rates for the State for each school district in the System.

The most significant results of the valuation are as follows:

	<u>1982</u>	<u>1983</u>
(1) Status of Funding as of June 30		
(a) Valuation Assets ('000 omitted)	\$451,650	\$562,944
(b) Present Value of Accrued Benefits ('000 omitted)	587,016	706,795
(c) Accrued Benefit Funding Ratio	79.1%	79.7%
(2) Contributions For Fiscal Year	<u>1985</u>	<u>1986</u>
(a) Normal Cost Rate	13.64%	13.13%
(b) Past Service Rate	4.32%	4.23%
(c) Total Contribution Rate	17.96%	17.36%

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions, in conjunction with employee data provided to us, to determine a sound value for the Plan liabilities. I certify that, to the best of my knowledge and belief, the attached statements are true and correct.

Respectfully submitted,



Robert F. Richardson, ASA
Principal

RFR:js

February 2, 1984

1.5 ACTUARIAL METHOD AND ASSUMPTIONS

Valuation of Liabilities

- A. Actuarial Method - Attained Age Normal, also known as Aggregate Method with Supplemental Liability. The unfunded accrued benefit liability is amortized over 30 years.
- B. Actuarial Assumptions -
1. Interest 8% per year, compounded annually, net of investment expenses.
 2. Salary Scale 8% per year for the first five years of employment and 7% per year thereafter.
 3. Health Inflation 8% per year.
 4. Mortality 1971 Group Annuity Mortality Table.
 5. Turnover Based upon the 1980-81 actual total turnover experience. (See Table 1).
 6. Disability Incidence rates in accordance with Table 2. Post-disability mortality in accordance with rates published by the Pension Benefit Guaranty Corporation to reflect mortality of those receiving disability benefits under Social Security.
 7. Retirement Age The average of age 60 and the earliest age for which unreduced retirement benefits will be available.
 8. Spouse's Age Wives are assumed to be four years younger than husbands.
 9. Contribution Refunds 100% of those terminating after age 35 with eight or more years of service will leave their contributions and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded.

- | | |
|----------------|---|
| 10. C.O.L.A. | 49% of those receiving retirement benefits will be eligible for C.O.L.A. |
| 11. Sick Leave | 4.7 days of unused sick leave for each year of service will be available to be credited once the member is retired. |
| 12. Expenses | No loading for expenses. |

Valuation of Assets

Based upon the three-year average ratio between market and book values of the System's assets. Assets are accounted for on an accrued basis.

Valuation of Medical Benefits

Medical benefits for retirees are provided by the payment of premiums from the trust fund. A pre-65 cost and lower post-65 cost (due to Medicare) were assumed such that the total rate for all retirees equals the present premium rate. These medical premiums are then increased with the health inflation assumption. The same method used for funding retirement benefits is also used to fund health benefits.

TABLE 1

EMPLOYEE TURNOVER ASSUMPTIONS

Select Rates of Turnover During the First 3 Years of Employment		After 3 Years of Employment	
<u>Year of Employment</u>	<u>Males</u>	<u>Attained Age</u>	<u>Rate</u>
1	.12	20	.1500
2	.26	21	.1500
3	.32	22	.1500
		23	.1500
		24	.1500
		25	.1500
<u>Year of Employment</u>	<u>Females</u>	26	.1500
1	.09	27	.1500
2	.11	28	.1500
3	.16	29	.1500
		30	.1400
		31	.1300
		32	.1200
		33	.1100
		34	.1000
		35	.0900
		36	.0800
		37	.0800
		38	.0700
		39	.0700
		40	.0650
		41	.0650
		42	.0650
		43	.0600
		44	.0600
		45	.0600
		46	.0600
		47	.0550
		48	.0550
		49	.0550
		50	.0500
		51	.0500
		52	.0500
		53	.0500
		54	.0500
		55 and Up	.0000

TABLE 2

William M. Mercer, Incorporated

DISABILITY RATES

ANNUAL RATES FOR 1,000 EMPLOYEES

<u>Age</u>	<u>Rate</u>
20	.70
21	.71
22	.72
23	.73
24	.74
25	.75
26	.76
27	.78
28	.80
29	.82
30	.84
31	.86
32	.88
33	.90
34	.93
35	.96
36	.99
37	1.03
38	1.07
39	1.11
40	1.15
41	1.20
42	1.27
43	1.36
44	1.48
45	1.62
46	1.76
47	1.91
48	2.07
49	2.23
50	2.40
51	2.60
52	2.86
53	3.18
54	3.56
55	4.00
56	4.59
57	5.34
58	6.10
59	7.20
60	8.43
61	9.75
62	11.30
63	13.05
64	14.90

2.4 BREAKDOWN OF PRESENT VALUE
OF BENEFITS
('000 OMITTED)

	<u>Present Value of Accrued Benefit</u>	<u>Present Value of Fully Projected Benefit</u>
<u>Active Members</u>		
Retirement Benefits	\$191,652	\$ 555,135
Termination Benefits	88,214	206,505
Disability Benefits	10,461	16,202
Death Benefits	3,928	7,747
Return of Contributions	11,152	17,240
Health Benefits	<u>81,759</u>	<u>101,780</u>
Subtotal	\$387,166	\$ 904,609
<u>Inactive Members</u>		
Not Vested	\$ 5,558	\$ 5,558
Vested Terminations	39,879	39,879
Retirees & Beneficiaries	<u>274,192</u>	<u>274,182</u>
Subtotal	\$319,629	\$ 319,629
<u>Totals</u>	\$706,795	\$1,224,238

2.5 CALCULATION OF TOTAL CONTRIBUTION RATE

FOR FISCAL YEAR 1986

('000 OMITTED)

Normal Cost Rate

(1) Present Value of Fully Projected Benefits	\$1,224,238
(2) Present Value of Accrued Benefits	706,795
(3) Present Value of Arrearage Indebtedness	20,610
(4) Present Value of Future Contributions (1) - (2) - (3)	496,833
(5) Present Value of Future Salaries	2,437,346
(6) Normal Cost Rate (4) ÷ (5)	20.38%
(7) Average Member Contribution Rate	7.25%
(8) Consolidated Employer Normal Cost Rate	13.13%

Past Service Rate

(1) Present Value of Accrued Benefits	\$ 706,795
(2) Valuation Assets	562,944
(3) Total Unfunded Liability	143,851
(4) 25-Year Amortization Factor	11.528758
(5) Past Service Payment	12,478
(6) Total Salaries	294,817
(7) Past Service Rate	4.23%

Total Employer Contribution Rate 17.36%

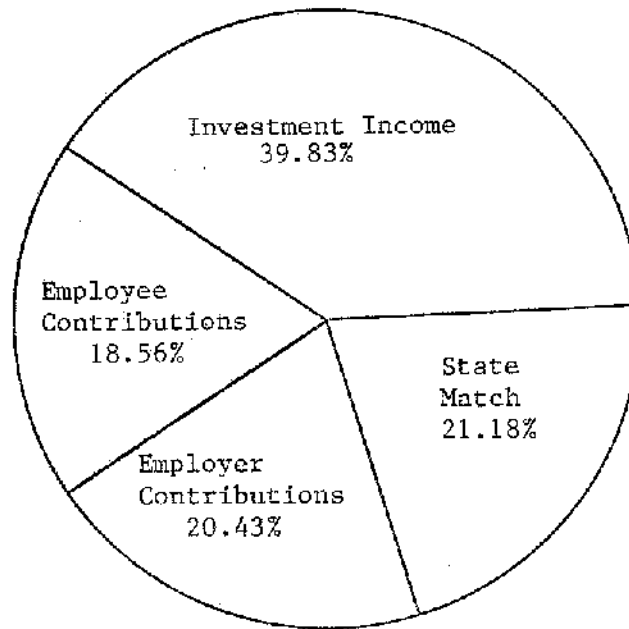
STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Comparative Statement of Operations

	FISCAL YEAR ENDED	
	<u>June 30, 1984</u>	<u>June 30, 1983</u>
Beginning Equities and Reserves	\$ 591,382,599	\$ 443,528,570
Additions:		
Employees' Contributions:		
Mandatory	25,175,874	22,688,893
Supplemental	959,941	925,396
Reinstatement	201,660	136,190
Arrearage	876,576	758,624
Retroactive	<u>42,867</u>	<u>37,163</u>
Total Employees' Contributions	27,256,918	24,546,266
Employers' Contributions	31,086,699	27,482,000
State Contributions-Matching	32,228,800	27,235,900
Net Investment Income	60,586,110	62,075,568
Market Value Adjustment	(48,193,923)	36,217,914
Interest Earned on Employees' Indebtedness	<u>973,342</u>	<u>771,414</u>
Total Additions	<u>103,937,946</u>	<u>178,329,062</u>
Total Equities, Reserves and Additions	<u>695,320,545</u>	<u>621,857,632</u>
Deductions:		
Administrative Expenses		
Personnel Services	660,830	640,423
Travel and Moving	32,594	31,879
Contractual Services	310,724	458,541
Supplies and Materials	26,654	3,986
Machinery/Equipment	64,727	24,401
Grants/Inter-Agency	<u>509,900</u>	<u>446,200</u>
Total Administrative Expenses	1,605,429	1,605,430
Employees' Contributions and Interest Refunded	3,094,220	2,509,240
Medical Benefit Expenses	3,256,699	2,307,011

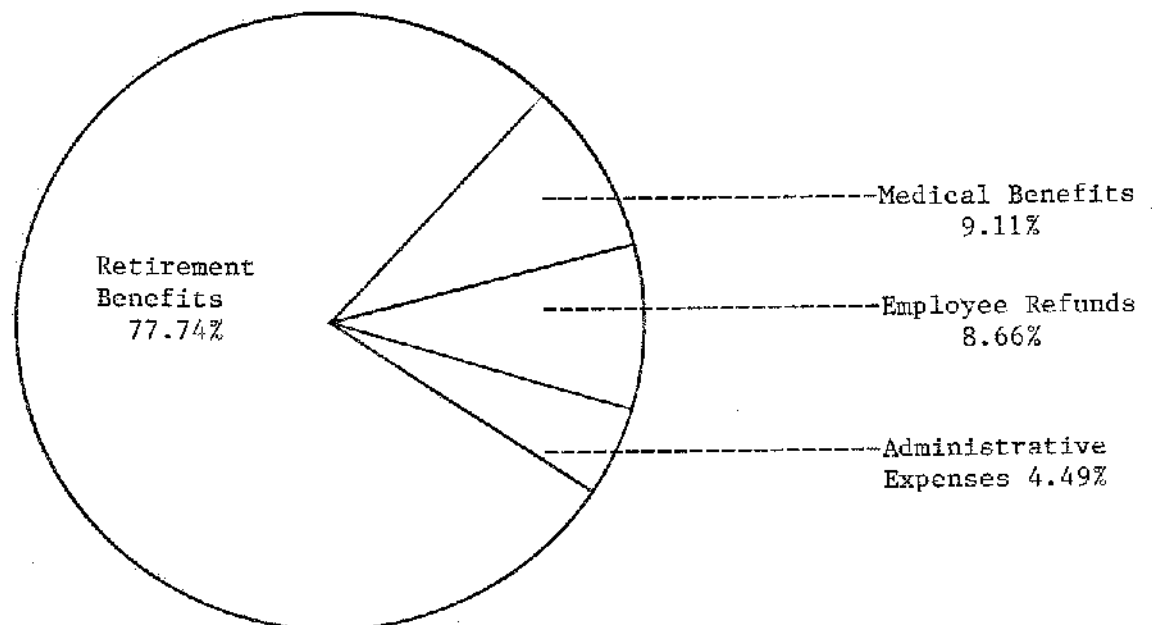
STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Comparative Statement of Operations

	FISCAL YEAR ENDED	
	<u>June 30, 1984</u>	<u>June 30, 1983</u>
Retirement Benefits Paid:		
Base Benefits	20,181,659	17,068,645
Cost of Living Allowance	1,413,005	1,171,299
Widow Annuity	283,883	243,981
Survivor Annuity	498,889	385,152
Disability Benefits	1,178,004	951,668
Post Retirement Pension Adjustment	4,022,978	4,090,107
Lump Sum Payments	203,659	141,771
Non-occupational Death Benefits	<u>9,794</u>	<u>729</u>
Total Retirement Benefits	27,791,871	24,053,352
Total Deductions	<u>35,748,219</u>	<u>30,475,033</u>
Ending Equities and Reserves	<u>\$ 659,572,326</u>	<u>\$ 591,382,599</u>

State of Alaska
Teachers' Retirement System
Year Ended June 30, 1984
Income and Receipts
\$152,131,869



Disbursements
\$35,748,219



STATE OF ALASKA

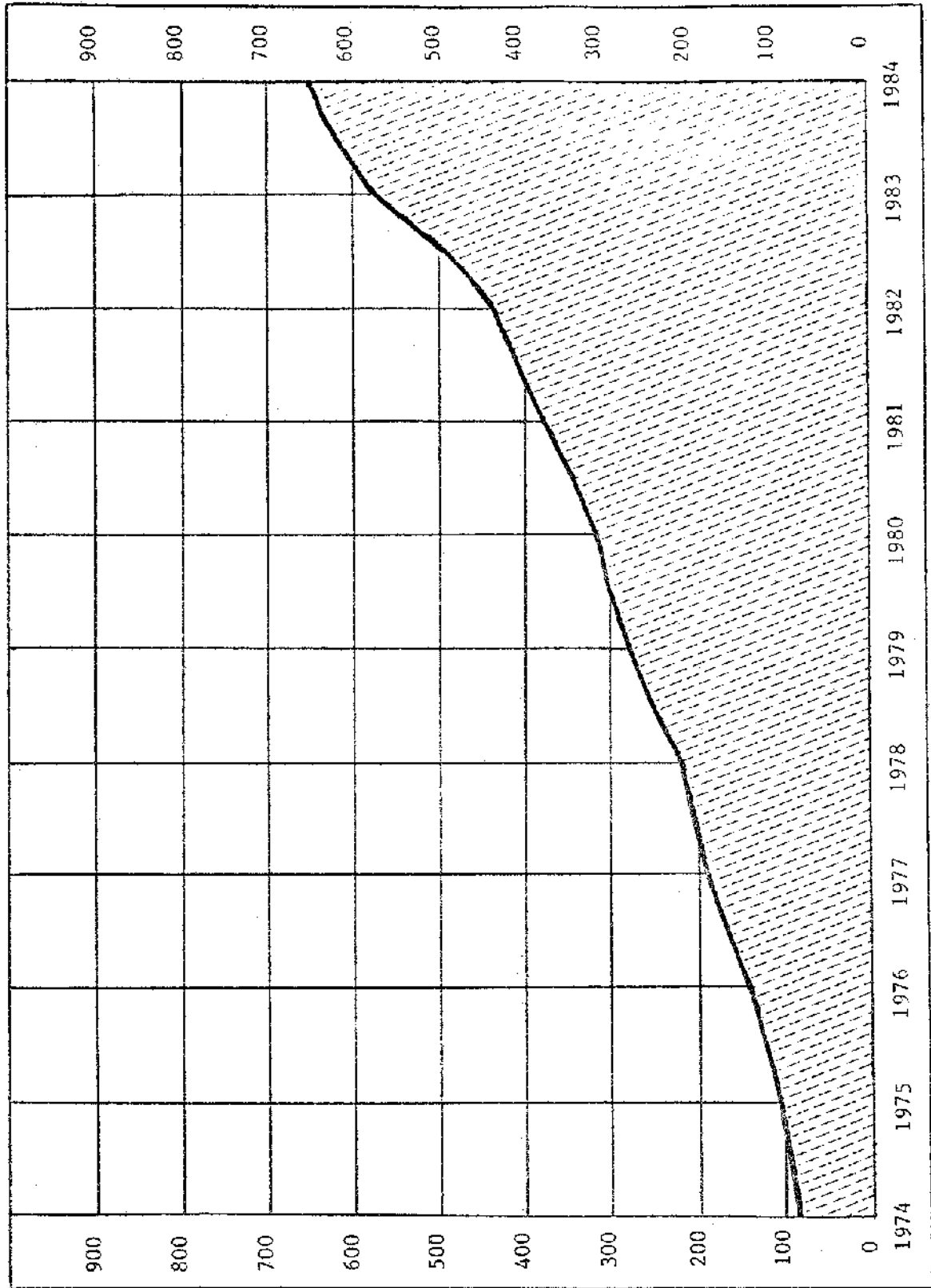
TEACHERS' RETIREMENT FUND
Historical Data
Fiscal Years 1974 through 1984
(cents omitted)

Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year	Employees' Contributions During Fiscal Year	Benefits Paid Including Medical Expenses & Death Benefits	Employees' Contributions and Interest Refunded During Fiscal Year	Net Investment Income During Fiscal Year
1974	89,794,395	8,770,748	8,628,798	3,642,667	1,419,832	4,287,131
1975	105,797,313	11,526,213	9,147,206	4,574,494	1,896,431	1,844,773
1976	137,623,382	19,348,436	11,590,177	6,390,012	1,926,611	9,240,962
1977	177,345,467	24,030,230	12,162,883	8,161,421	1,859,829	13,583,578
1978	215,370,551	19,792,849	15,510,483	11,025,589	2,319,376	16,051,252
* 1979	267,043,332	26,558,644	15,142,057	13,838,067	2,419,936	22,311,725
1980	320,314,293	31,243,171	16,650,594	16,462,399	3,087,910	31,783,301
1981	373,253,081	37,653,917	18,853,076	20,004,135	3,172,253	39,180,591
1982	443,528,571	50,856,750	21,735,042	22,881,444	2,974,426	30,900,759
1983	591,382,599	54,717,900	24,546,266	26,360,363	2,509,240	62,075,568
1984	659,572,326	63,315,499 ²²	27,256,918	31,048,570	3,094,220	60,586,110

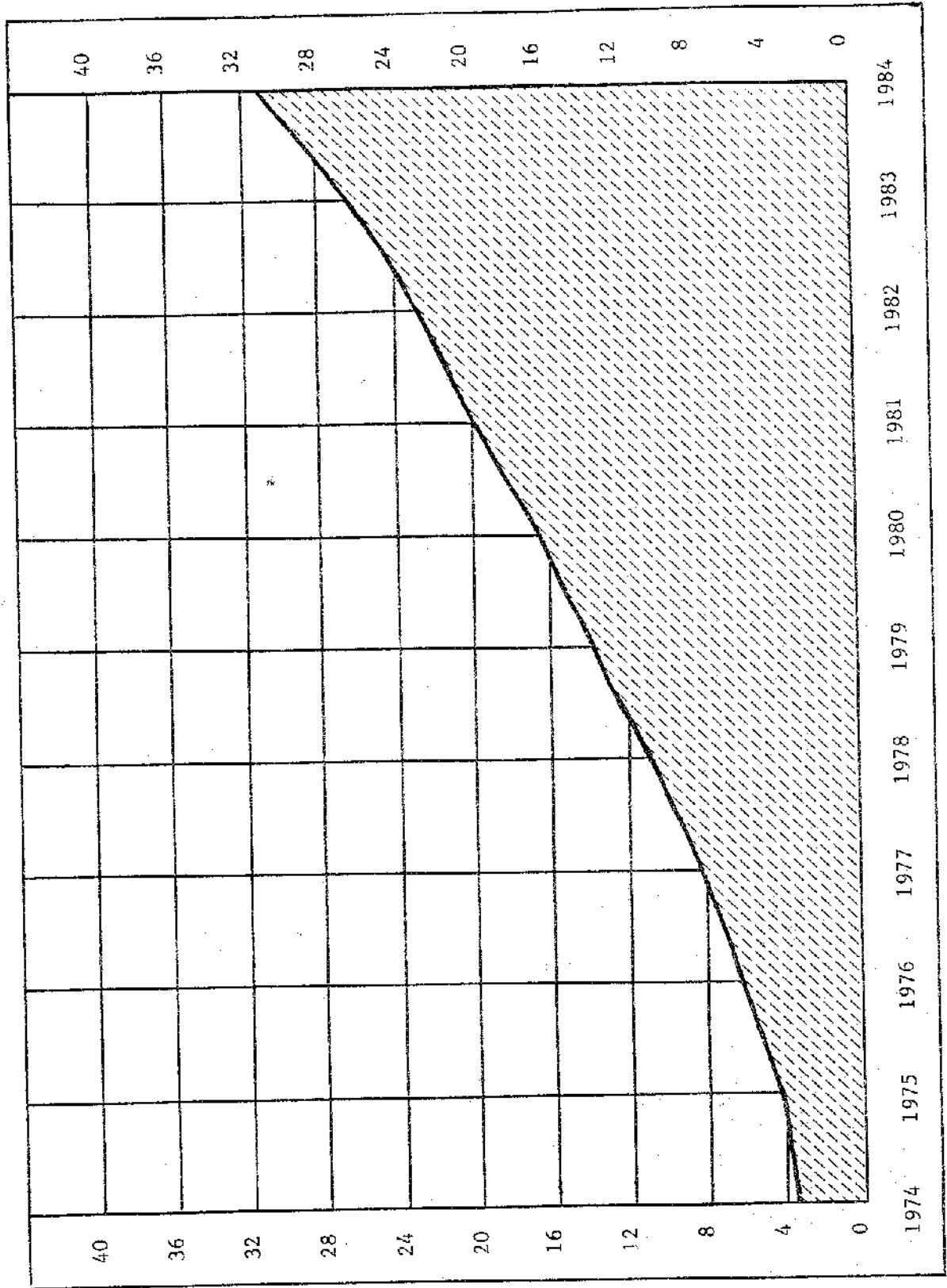
251,659,749

* Figures presented on an accrual basis effective FY 1979.

STATE OF ALASKA
 TEACHERS' RETIREMENT FUND
 TOTAL ASSETS
 Fiscal Years 1974 through 1984



STATE OF ALASKA
TEACHERS' RETIREMENT FUND
BENEFITS PAID
Fiscal Years 1974 through 1984



IN MILLIONS OF DOLLARS

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1984

<u>Employer</u>	<u>Percentage</u>
Adak Region School District	8.71
Alaska Gateway Schools	
Alaska, University of	
Alaska, University of, Geophysical Institute	
Aleutian Region School District	
Anchorage School District	
Annette Island School District	
Association of Alaska School Boards	
Bering Straits School District	
Bristol Bay Borough School District	
Chatham School District	
Chugach Regional School District	
Copper River School District	
Cordova School District	
Craig School District	
Delta-Grœely School District	
Department of Education, State of Alaska	
Dillingham School District	
Fairbanks North Star Borough School District	
Galena City School District	
Haines City Schools	
Hoonah City Schools	
Hydaburg City School District	
Iditarod Area School District	
Juneau Borough School District	
Kake City Schools	
Kenai Peninsula Borough School District	
Ketchikan Gateway Borough School District	
King Cove City School District	
Klawock City Schools	
Kodiak Island Borough School District	
Kuspuk School District	
Lake & Peninsula School District	
Lower Kuskokwim School District	
Lower Yukon School District	
Matanuska-Susitna Borough School District	
National Education Association	
Nenana City Public Schools	
Nome City Schools	
North Slope Borough School District	
Northwest Arctic School District	
Pelican School District	
Petersburg City Schools	

-----Same for all Employers-----

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1984

Continued

<u>Employer</u>	<u>Percentage</u>
Pribilof Region School District	8.71
Railbelt School District	---Same for all Employers---
Sand Point City School District	
Sitka Borough School District	
Skagway City School District	
Southeast Islands School District	
Southeast Regional Resource Center	
Southwest Region School District	
St. Mary's School District	
State Legislature	
Tanana School District	
Valdez City Schools	
Wrangell Public Schools	
Yakutat School District	
Yukon Flats School District	
Yukon Koyukuk School District	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

June 30, 1984

(IN THOUSANDS)

<u>OTHER SHORT TERM INVESTMENTS</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>Repurchase Agreements</u>						
First Pennsylvania Federal	10.000	07-02-84	\$ 1,496	\$ 1,496	\$ 1,496	10.00
First Pennsylvania Federal	10.150	07-02-84	3,252	3,252	3,252	10.15
First Pennsylvania Federal	10.125	07-02-84	3,252	3,252	3,252	10.12
Total Repurchase Agreements			8,000	8,000	8,000	
Total Other Short Term Investments			\$ 8,000	\$ 8,000	\$ 8,000	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

June 30, 1984

(IN THOUSANDS)

(CONTINUED)

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>UNITED STATES GOVERNMENT SECURITIES</u>						
<u>U.S. Treasury Bills, Notes and Bonds</u>						
U.S. Treasury Bills				\$	\$	
	9.350	07-12-84	\$ 10,000	9,055	9,055	10.47
	10.090	11-08-84	15,000	14,328	14,328	11.05
	10.290	12-06-84	15,000	14,210	14,210	11.15
U.S. Treasury Notes						
	12.125	09-30-84	20,000	20,122	20,050	12.09
	13.125	08-15-85	15,000	14,930	15,075	13.06
	10.625	08-31-85	40,000	39,919	39,162	10.85
	10.000	12-31-86	30,000	30,375	27,956	10.73
	10.250	03-31-87	20,000	20,069	18,575	10.04
	12.500	05-15-87	15,000	14,999	14,681	12.77
	11.125	09-30-87	10,000	10,006	9,391	11.85
	12.625	11-15-87	10,000	10,125	9,772	12.92
	9.875	05-15-88	10,000	10,067	8,891	11.11
	11.750	11-15-88	10,000	9,969	9,378	12.53
	14.375	04-15-89	15,000	15,567	15,337	14.06
	9.250	05-15-89	10,000	10,019	8,497	10.89
	11.500	10-15-90	20,000	19,893	18,087	12.72
	13.000	11-15-90	10,000	10,158	9,681	13.43
	10.500	11-15-92	10,000	9,870	8,362	12.56
	10.875	02-15-93	20,000	20,793	17,025	12.78
	10.125	05-15-93	40,000	39,867	32,475	12.47
U.S. Treasury Bonds						
	7.875	02-15-00	5,500	5,641	3,431	12.63
	8.375	08-15-00	4,000	3,963	2,615	12.81
	11.875	11-15-03	20,000	20,194	17,456	13.61
	7.625	02-15-07	1,000	977	583	13.07
	7.875	11-15-07	6,000	5,968	3,581	13.19
	10.375	11-15-12	95,000	95,004	72,081	13.67
Purchased Interest Receivable on U.S. Treasury Notes and Bonds				13	13	
Total U.S. Treasury Bills, Notes and Bonds			<u>476,500</u>	<u>476,101</u>	<u>419,748</u>	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

June 30, 1984

(IN THOUSANDS)
(CONTINUED)

<u>UNITED STATES GOVERNMENT SECURITIES</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>U.S. Agencies</u>						
Twelve Federal Land Banks	8.800	10-21-85	3,750	3,781	3,580	9.22
Federal Home Loan Banks Consolidated	11.100	11-25-92	10,000	10,000	8,550	12.98
Federal Home Loan Mortgage Corporation	8.125	03-15-07	705	702	543	10.54
Total U.S. Agencies			<u>14,455</u>	<u>14,483</u>	<u>12,673</u>	
<u>GNMA Mortgage Backed Securities</u>						
Total GNMA Mortgage Backed	7.5-8.5	09-15-04 to 10-15-07	<u>18,239</u>	<u>18,312</u>	<u>12,394</u>	<u>11.56-12.27</u>
Amortization of Premium				(291)		
Total United States Government Securities			<u>\$509,194</u>	<u>\$508,605</u>	<u>\$444,815</u>	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

OTHER BONDS, NOTES, AND DEBENTURES	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
Pacific Gas and Electric	9.500	06-01-85	\$ 1,250	\$ 1,244	\$ 1,210	9.82
American Express	10.750	11-01-85	4,000	4,000	3,860	11.14
Glendale Federal Savings and Loan	9.350	07-01-89	1,000	1,000	884	10.58
J.C. Penney Company	8.875	07-15-95	1,000	986	742	11.95
Pfizer, Inc.	8.500	04-15-99	500	470	340	12.50
General Motors Acceptance Corp.	8.750	02-01-00	1,500	1,594	982	13.36
Pfizer, Inc.	9.250	08-15-00	500	494	369	12.54
International Bank for Reconstruction and Development	9.350	12-15-00	750	812	530	13.24
Exxon Corporation	8.250	03-01-01	1,000	1,028	647	12.74
Mobil Corporation	8.500	06-15-01	1,500	1,515	956	13.33
General Electric Company	8.500	05-01-04	2,000	2,115	1,297	13.10
Texas Electric Service Company	8.875	06-01-04	1,000	1,012	648	13.71
Sears Roebuck & Company	8.000	04-01-06	1,000	988	603	13.28
Texas Power and Light Company	8.250	02-01-07	1,000	996	603	13.69
Bankamerica Corporation	8.350	05-15-07	1,000	993	611	13.66
Commonwealth Edison	6.125	06-01-07	1,000	981	560	14.51
Standard Oil Co. Indiana	7.875	08-01-07	1,000	979	594	13.26
Duke Power Company	8.125	09-01-07	1,000	969	585	13.89
Province of Ontario	8.375	09-15-07	1,500	1,500	887	14.16
Central Power and Light Company	8.250	10-01-07	1,500	1,485	883	14.01
Aetna Life and Casualty Company	8.125	10-15-07	1,000	991	646	12.57
Illinois Power Company	8.125	11-01-07	1,000	990	599	13.78
Michigan Bell Telephone Co.	9.600	10-01-08	1,000	1,122	670	14.33
South Central Bell Telephone Company	8.250	11-01-15	1,000	1,000	581	14.19
Mountain States Telephone/ Telegraph Company	8.000	09-15-17	1,500	1,491	840	14.29
Pacific Northwest Bell Telephone Company	8.750	08-01-18	1,000	1,000	640	13.67
Amortization of Premium				(23)		
Total Other Bonds, Notes, and Debentures			\$ 31,500	\$ 31,734	\$ 21,767	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
AMR Corporation	10,700	\$ 353	\$ 326
Alcan Aluminum, LTD.	31,500	887	858
Alco Standard Corporation	1,200	36	37
American Greetings Corporation	13,000	352	372
American Home Products Corporation	13,000	704	689
American Home Products Corporation	9,000	490	477
American International Group, Inc.	9,100	546	532
American Medical International, Inc.	28,000	700	644
American Standard, Inc.	17,400	424	433
Atlantic Richfield Company	11,000	493	501
Atlantic Richfield Company	9,400	427	428
Burlington Northern, Inc.	18,000	745	725
CBS, Inc.	9,000	676	704
Citicorp	36,200	1,081	1,108
Coca-Cola Company	8,800	517	507
Consolidated Freightways, Inc.	6,900	285	318
Cooper Industries, Inc.	10,400	293	293
Corning Glass Works	7,000	448	446
Dayton Hudson Corporation	23,800	716	747
Dover Corporation	14,800	507	507
Eastman Kodak Company	9,000	598	623
Eastman Kodak Company	8,100	531	561
Eastman Kodak Company	8,000	555	554
Eaton Corporation	12,000	487	492
Federated Department Stores	11,000	515	528
Fluor Corporation	25,700	455	440
Fort Howard Paper Company	9,200	500	503
General Electric Company	9,400	506	494
General Motors Corporation	17,100	1,090	1,118
General Motors Corporation	11,000	714	719
General Re Corporation	1,600	88	92
Gould, Inc.	14,900	404	391
Great Western Financial Corporation	26,900	532	525
Gulf & Western Industries, Inc.	20,000	643	585
Harris Corporation	13,600	351	342
Hewlett-Packard Company	20,000	710	730
Houston Natural Gas Corporation	10,000	496	481
IBM Corporation	20,500	2,141	2,168
IBM Corporation	7,000	729	740
IBM Corporation	5,000	521	529
International Paper Company	14,300	711	695
K-Mart Corporation	36,600	1,094	1,135
Kerr-McGee Corporation	22,300	715	697

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Lear Siegler, Inc.	2,500	99	108
Lilly Eli & Company	4,600	291	279
Loral Corporation	15,000	364	369
McDonalds Corporation	7,400	511	508
McDonalds Corporation	7,000	473	480
McGraw-Hill, Inc.	8,500	353	361
Melville Corporation	9,100	330	327
Merck & Company, Inc.	5,600	514	518
Minnesota Mining & Mfg. Company	9,700	736	748
Morgan J.P. & Co., Inc.	11,200	717	696
Motorola, Inc.	26,300	883	878
NCR Corporation	49,700	1,273	1,218
Northern Telecom, Ltd.	10,000	338	336
Northwest Industries, Inc.	10,000	491	485
Noxell Corporation	5,000	171	175
Nytex Corporation	16,900	1,066	1,022
Pacific Telesis Group	19,100	1,069	1,039
Panhandle Eastern Corporation	22,400	752	773
Pepsico, Inc.	12,000	519	501
Proctor & Gamble Company	9,600	500	503
RCA Corporation	16,500	537	522
Raytheon Company	13,400	520	509
Reynolds R J Industries, Inc.	13,300	715	758
Reynolds R J Industries, Inc.	9,000	506	513
Royal Dutch Petroleum Company	10,000	481	479
Schlumberger, Ltd.	10,800	498	489
Schlumberger, Ltd.	7,500	356	339
Shared Medical Systems Corp.	15,500	453	448
Smithkline Beckman Corporation	9,200	502	521
Sonat, Inc.	14,400	499	466
Textronics, Inc.	3,600	202	204
Tribune Company	13,000	355	325
USF&G Corporation	20,200	905	401
Wang Laboratories, Inc.	17,000	443	480
Williams Companies	21,400	534	562
Xerox Corporation	6,500	243	249
Total Common Stock		<u>\$44,965</u>	<u>\$44,383</u>

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

	<u>Cost</u>	<u>Market</u>	<u>Yield</u>
<u>Foreign Investments Managed By</u>			
Morgan Guaranty Trust			
Equities	\$ 4,741	\$ 4,387	2.85
Funds Reserved for Equity Purchases	<u>1,769</u>	<u>1,765</u>	5.63
Total Morgan Guaranty Trust	<u>6,510</u>	<u>6,152</u>	
Citibank			
Equities	3,977	3,788	2.98
Funds Reserved for Equity Purchases	<u>2,561</u>	<u>2,535</u>	9.72
Total Citibank	<u>6,538</u>	<u>6,323</u>	
Total Foreign Investments	<u>\$ 13,048</u>	<u>\$ 12,475</u>	
<u>Financial Futures</u>			
Discount Corporation of NY	<u>\$ 1</u>	<u>\$ 1</u>	
<u>Real Estate Equity Fund</u>			
Aetna Life and Casualty	\$ 10,075	\$ 11,370	
Equitable Life Insurance Co.	11,432	13,252	
Prudential Insurance Co.	7,515	8,161	
John Hancock Life Insurance Co.	8,307	9,048	
Morgan Guaranty Trust	6,039	6,054	
Smith Barney	20,604	20,648	
JMB Industrial	<u>13,307</u>	<u>13,307</u>	
Total Real Estate Equity Fund	<u>\$ 77,279</u>	<u>\$ 81,850</u>	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

Real Estate Mortgages
and SBA Loans

	<u>Interest Rate Range</u>	<u>Out- Standing Cost</u>	<u>Weighted Average Yield</u>
<u>SBA Loans Services By</u>			
Alaska Mutual Bank	9.50	\$ 54	9.00
Alaska Statebank	10.50	57	10.00
First Bank	9.75	52	9.38
First National Bank of Fairbanks	15.75	480	15.69
National Bank of Alaska	8.00 - 10.50	648	8.87
Rainier Bank Alaska	8.00 - 9.25	278	8.48
Total SBA Loans		<u>1,569</u>	

Bureau of Indian Affairs
Serviced By

National Bank of Alaska	10.50	<u>949</u>	10.31
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Farmers Home Administration Loan
Serviced By

National Bank of Alaska	9.75	<u>1,453</u>	9.56
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Conventional/Residential Mortgages
Serviced By

Alaska Continental Bank	13.50 - 14.50	1,019	13.86
Alaska Federal Savings and Loan	9.25 - 16.50	3,625	12.67
Alaska Mutual Savings Bank	9.375 - 17.25	11,497	11.84
Alaska National Bank	9.25 - 12.00	9,607	10.15
Alaska Pacific Bank	9.375 - 15.75	12,284	11.86
Alaska Pacific Mortgage Company	13.50 - 14.75	6,264	12.73
Alaska Statebank	9.375 - 16.75	21,551	12.29
Arctic First Federal Savings & Loan	9.50 - 11.75	855	10.06
FedAlaska Federal Credit Union	13.50 - 14.50	591	13.82
First Alaska Mortgage	13.00 - 15.125	329	13.71
First Bank	9.375 - 10.50	911	9.57
First Federal Bank of Alaska	9.875 - 16.50	7,030	12.84

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

Real Estate Mortgages
and SBA Loans - Continued:

	<u>Interest Rate Range</u>	<u>Out- Standing Cost</u>	<u>Weighted Average Yield</u>
First Interstate Bank of Alaska	8.00 - 16.75	4,665	13.11
First National Bank of Anchorage	9.375 - 16.50	27,208	12.01
First National Bank of Fairbanks	9.875 - 15.75	3,639	12.18
General Electric Mortgage Company	11.00	461	10.81
Home Savings and Loan	9.50 - 16.125	9,875	10.99
Kissell Mortgage Company	9.50 - 17.25	116,480	14.14
Lomas and Nettleton Company	14.00	57	13.69
National Bank of Alaska	10.50 - 16.75	1,922	12.57
Peoples Mortgage Company	10.25 - 10.50	756	10.22
Peninsula Savings and Loan	11.50 - 14.50	270	12.60
Rainier Bank Alaska	9.50 - 11.00	1,556	10.12
Seafirst Corporation	9.25 - 14.875	13,552	10.95
Security National Bank	10.75 - 16.75	3,259	13.94
Total Conventional/Residential Mortgages		<u>259,263</u>	

FHA Mortgages Serviced By

Alaska Mutual Bank	6.75 - 8.50	355	7.80
Alaska National Bank	7.50 - 8.50	182	7.61
Alaska Pacific Bank	11.50	627	11.56
Alaska Statebank	5.25 - 10.50	1,223	7.33
First National Bank of Anchorage	5.25 - 9.00	1,142	7.58
National Bank of Alaska	5.25 - 8.50	781	7.07
Rainier Financial Services	5.75 - 7.50	666	7.07
Washington Mortgage Company	7.00	807	7.87
Total FHA Mortgages		<u>5,783</u>	

Total Real Estate Mortgages and SBA Loans	<u>\$269,016</u>
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ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1984

(IN THOUSANDS)

<u>OTHER SHORT-TERM INVESTMENTS</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>Repurchase Agreements</u>						
First Pennsylvania Federal	10.000	07-02-84	\$1,496	\$1,496	\$1,496	10.00
First Pennsylvania Federal	10.150	07-02-84	3,252	3,252	3,252	10.15
First Pennsylvania Federal	10.125	07-02-84	3,252	3,252	3,252	10.12
Total Repurchase Agreements			8,000	8,000	8,000	
Total Other Short-Term Investments			\$8,000	\$8,000	\$8,000	

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

UNITED STATES GOVERNMENT SECURITIES	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
<u>U.S. Treasury Bills, Notes and Bonds</u>						
U.S. Treasury Bills	9.350	07-12-84	\$ 10,000	\$ 9,055	\$ 9,055	10.47
	10.090	11-08-84	17,000	16,238	16,238	11.05
	10.250	12-06-84	20,000	18,947	18,947	10.46
U.S. Treasury Notes	12.125	09-30-84	10,000	10,061	10,025	12.09
	13.125	08-15-85	10,000	9,953	10,050	13.06
	10.625	08-31-85	10,000	9,980	9,791	10.85
	12.500	05-15-87	10,000	9,999	9,788	12.77
	11.125	09-30-87	10,000	10,006	9,391	11.85
	12.625	11-15-87	10,000	10,125	9,772	12.92
	9.875	05-15-88	20,000	20,135	17,781	11.11
	11.750	11-15-88	10,000	10,052	9,378	12.53
	14.375	04-15-89	15,000	15,567	15,337	14.06
	9.250	05-15-89	5,000	5,010	4,248	10.89
	11.500	10-15-90	10,000	9,946	9,044	12.72
	13.000	11-15-90	10,000	10,158	9,681	13.43
	10.875	02-15-93	10,000	10,400	8,513	12.78
	10.125	05-15-93	30,000	29,870	24,356	12.47
U.S. Treasury Bonds	7.875	02-15-00	6,500	6,669	4,054	12.63
	8.375	08-15-00	4,000	3,963	2,615	12.81
	11.875	11-15-03	10,000	10,121	8,728	13.61
	7.625	02-15-07	1,000	978	583	13.07
	7.875	11-15-07	4,000	3,977	2,387	13.19
	10.375	11-15-12	50,000	49,718	37,938	13.67
Purchased Interest Receivable on U.S. Treasury Notes and Bonds				12	12	
Total U.S. Bills, Notes and Bonds			292,500	290,940	257,712	

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>U.S. Agencies</u>						
Federal National Mortgage Association	7.550	12-10-84	1,000	1,000	983	7.68
Federal Home Loan Banks	11.100	11-25-92	8,000	8,000	6,840	12.98
Federal Home Loan Mortgage Corporation	8.125	03-15-07	705	702	543	10.54
Total U.S. Agencies			<u>9,705</u>	<u>9,702</u>	<u>8,366</u>	
<u>GNMA Mortgage Backed Securities</u>						
Total GNMA Mortgage Backed Securities	7.0 - 8.5	09-15-04 to 10-15-11	<u>18,061</u>	<u>18,319</u>	<u>12,328</u>	11.05 - 12.73
Amortization of Premium				(250)		
Total United States Government Securities			<u>\$320,266</u>	<u>\$318,711</u>	<u>\$278,406</u>	

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

OTHER BONDS, NOTES, AND DEBENTURES	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
Pacific Gas and Electric	9.500	06-01-85	\$ 1,250	\$ 1,244	\$ 1,210	9.82
American Express	10.750	11-01-85	2,000	2,000	1,930	11.14
International Bank for Reconstruction and Development	7.650	05-01-87	450	448	390	8.82
Glendale Federal Savings and Loan	9.350	07-01-89	1,000	1,000	884	10.58
Diamond Shamrock Corporation	9.000	04-01-99	1,000	1,020	648	13.90
Pfizer, Inc.	8.500	04-15-99	500	470	340	12.50
General Motors Acceptance Corp.	8.750	02-01-00	1,500	1,594	983	13.36
Pfizer, Inc.	9.250	08-15-00	1,000	995	737	12.54
International Bank for Reconstruction and Development	9.350	12-15-00	500	541	353	13.24
Exxon Pipeline Company	8.250	03-01-01	1,000	1,027	647	12.74
Mobil Corporation	8.500	06-15-01	1,000	1,010	637	13.33
Texas Electric Service Company	8.875	06-01-05	1,000	1,013	647	13.71
Sears Roebuck Company	8.000	04-01-06	1,000	989	602	13.28
Standard Oil Company	7.875	08-01-07	1,000	979	594	13.36
American Hospital Supply Company	7.875	08-15-07	1,500	1,495	900	13.13
Duke Power Company	8.125	09-01-07	1,000	969	585	13.89
Province of Ontario	8.375	09-15-07	1,500	1,500	887	14.16
Central Power and Light Company	8.250	10-01-07	1,500	1,485	883	14.01
Aetna Life and Casualty Company	8.125	10-15-07	1,000	991	646	12.57
Nichigan Bell Telephone Company	9.600	10-01-08	1,000	1,122	670	14.33
South Central Bell Telephone Company	8.250	11-01-15	1,000	1,000	581	14.19
Mountain States Telephone/ Telegraph Company	8.000	09-15-17	1,500	1,491	840	14.29
Pacific Northwest Bell Telephone Company	8.750	08-01-18	1,000	1,000	640	13.67
Amortization of Premium			(15)			
Total Other Bonds, Notes and Debentures			\$25,200	\$25,368	\$17,234	

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
AMR Corporation	8,100	\$ 267	\$ 247
Alcan Aluminum, LTD.	23,800	670	649
Alco Standard Corporation	700	21	21
American Greetings Corporation	12,000	327	344
American International Group, Inc.	6,900	414	404
American Home Products Corporation	7,400	403	392
American Home Products Corporation	10,000	541	530
American Medical International, Inc.	20,000	500	460
American Standard, Inc.	13,800	337	343
Atlantic Richfield Company	8,800	395	400
Atlantic Richfield Company	7,000	318	319
Burlington Northern, Inc.	13,000	538	523
CBS, Inc.	7,000	526	548
Citicorp	27,300	815	836
Coca-Cola Company	7,000	411	403
Consolidated Freightways, Inc.	5,000	206	231
Cooper Industries, Inc.	8,600	242	242
Corning Glass Works	6,500	413	414
Dayton Hudson Corporation	17,900	538	562
Dover Corporation	11,800	404	404
Eastman Kodak Company	6,000	416	416
Eastman Kodak Company	4,000	262	277
Eastman Kodak Company	6,700	445	464
Eaton Corporation	9,000	365	369
Federated Department Stores	8,800	412	422
Fluor Corporation	20,400	361	349
Fort Howard Paper Company	7,400	402	404
General Electric Company	7,600	409	399
General Motors Corporation	8,000	519	523
General Motors Corporation	12,900	823	843
General Re Corporation	1,100	61	63
Gould, Inc.	10,000	273	263
Great Western Financial Corporation	22,400	403	398
Gulf & Western Industries, Inc.	1,600	514	468
Harris Corporation	10,200	263	256
Hewlett-Packard Company	15,000	532	548
Houston Natural Gas Corporation	8,000	397	385
IBM Corporation	4,000	417	423
IBM Corporation	5,000	521	529
IBM Corporation	15,500	1,619	1,639
International Paper Company	10,800	537	525
K-Mart Corporation	27,500	822	853
Kerr-McGee Corporation	16,900	542	528

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Lear Siegler, Inc.	2,400	\$ 95	\$ 104
Lilly Eli & Company	3,200	202	194
Loral Corporation	11,000	266	271
McDonalds Corporation	6,000	415	412
McDonalds Corporation	4,000	269	274
McGraw-Hill, Inc.	6,500	270	276
Melville Corporation	7,500	272	269
Merck & Company, Inc.	4,400	404	407
Minnesota Mining & Mfg. Company	7,000	531	540
Morgan J.P. & Co., Inc.	8,500	544	528
Motorola, Inc.	19,700	661	658
NCR Corporation	37,400	958	916
Northwest Industries, Inc.	8,000	393	388
Northern Telecom, Ltd.	10,000	335	336
Noxell Corporation	2,000	69	70
Nynex Corporation	12,700	801	768
Pacific Telesis Group	14,400	806	783
Panhandle Eastern Corporation	16,900	568	583
Pepsico, Inc.	9,400	406	392
Proctor & Gamble Company	7,600	396	398
RCA Corporation	11,000	361	348
Raytheon Company	10,800	420	410
Reynolds R J Industries, Inc.	3,600	203	205
Reynolds R J Industries, Inc.	10,100	543	576
Reynolds Metal Company	3,600	202	101
Royal Dutch Petroleum Company	8,000	385	383
Schlumberger, Ltd.	8,600	396	389
Schlumberger, Ltd.	5,500	261	249
Searle GD & Company	10,000	458	458
Shared Medical Systems Corp.	9,000	262	260
Smithkline Beckman Corporation	7,400	404	419
Sonat, Inc.	11,600	403	376
Textronics, Inc.	2,700	151	153
Tribune Company	10,000	273	250
USF&G Corporation	15,200	681	302
Wang Laboratories, Inc.	12,200	318	345
Williams Companies	16,200	404	425
Xerox Corporation	4,800	179	184
Total Common Stock		<u>\$34,566</u>	<u>\$34,016</u>

ALASKA TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

	<u>Cost</u>	<u>Market</u>	<u>Yield</u>
<u>Foreign Investments Managed By</u>			
Morgan Guaranty Trust			
Equities	\$ 4,429	\$ 4,113	2.96
Funds Reserved for Equity Purchases	<u>1,448</u>	<u>1,444</u>	6.26
Total Morgan Guaranty Trust	<u>5,877</u>	<u>5,557</u>	
Citibank			
Equities	3,886	3,707	2.95
Funds Reserved for Equity Purchases	<u>2,043</u>	<u>2,026</u>	9.64
Total Citibank	<u>5,929</u>	<u>5,733</u>	
Total Foreign Investments	<u>\$ 11,806</u>	<u>\$ 11,290</u>	
<u>Financial Futures</u>			
Discount Corporation of NY	<u>\$ 1</u>	<u>\$ 1</u>	
<u>Real Estate Equity Fund</u>			
Aetna Life and Casualty	\$ 9,482	\$ 10,720	
Equitable Life Insurance Co.	7,294	8,616	
Prudential Insurance Co.	5,049	5,511	
John Hancock Life Insurance Co.	8,307	9,048	
Morgan Guaranty Trust	4,026	4,043	
Smith Barney	10,302	10,324	
JMB Industrial	<u>7,165</u>	<u>7,165</u>	
Total Real Estate Equity Fund	<u>\$ 51,625</u>	<u>\$ 55,427</u>	

ALASKA TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

Real Estate Mortgages
and SBA Loans

	Interest Rate Range	Out- Standing Cost	Weighted Average Yield
<u>SBA Loans Services By</u>			
B.M. Behrends Bank	10.00	\$ 60	9.50
National Bank of Alaska	8.00 - 9.25	1,090	8.28
Total SBA Loans		<u>1,150</u>	

Conventional/Residential Mortgages
Serviced By

Alaska Federal Savings and Loan	10.50	892	10.44
Alaska First Mortgage Company	10.00 - 13.00	3,210	11.23
Alaska Mutual Bank	9.25 - 17.25	17,642	12.29
Alaska National Bank	10.50 - 14.00	2,500	11.34
Alaska Pacific Bank	11.25	73	10.94
Alaska Statebank	11.00	10	10.69
Alaska USA Federal Credit Union	10.125 - 11.00	1,369	10.46
Arctic First Federal Savings & Loan	10.75	113	9.64
B.M. Behrends Bank	9.50 - 16.75	7,815	13.62
FedAlaska Federal Credit Union	14.00	111	13.81
First Interstate Bank of Alaska	9.50 - 16.75	23,960	11.52
First National Bank of Anchorage	10.75	960	10.65
General Electric Mortgage Company	10.625	370	10.56
Home Savings and Loan	10.625	499	10.19
Kissell Mortgage Company	8.00 - 17.00	38,108	13.26
Mt. McKinley Mutual Bank	9.25 - 14.875	3,715	11.01
National Bank of Alaska	9.25 - 17.50	31,686	11.39
Peoples Mortgage Company	10.25 - 10.50	756	10.22
Rainier Bank of Alaska	9.50 - 16.50	8,279	11.79
United Bank Alaska	9.375 - 16.75	20,610	12.15
Verex Mortgage Company	12.50 - 17.75	<u>17,437</u>	14.23
Total Conventional/Residential Mortgages		<u>180,115</u>	

ALASKA TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1984

(IN THOUSANDS)

(CONTINUED)

Real Estate Mortgages
and SBA Loans - Continued:

	<u>Interest Rate Range</u>	<u>Out- Standing Cost</u>	<u>Weighted Average Yield</u>
<u>FHA Mortgages Serviced By</u>			
Alaska Mutual Bank	6.00 - 8.50	501	7.50
Alaska National Bank	5.75	19	5.43
Alaska Statebank	5.25 - 8.50	609	7.03
First National Bank of Anchorage	5.25 - 8.50	1,385	8.18
National Bank of Alaska	5.25 - 8.00	1,101	7.22
Rainier Bank Alaska	7.50	24	7.50
Rainier Financial Services	5.25 - 8.50	495	7.77
Total FHA Mortgages		<u>4,134</u>	
Total Real Estate Mortgages and SBA Loans		<u>\$185,399</u>	